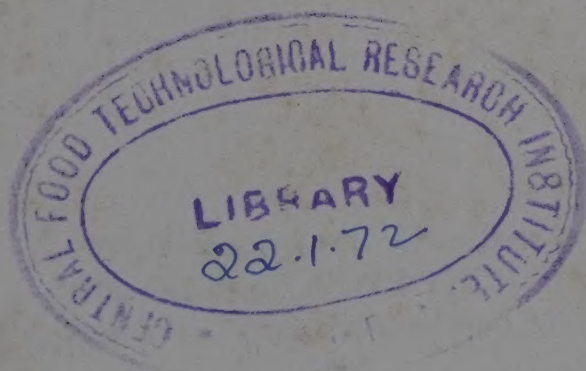


SURVEY
of
INDIA'S EXPORT POTENTIAL
to
Twenty-six Selected Countries
in
THE INDIAN OCEAN BASIN
And Nearby Areas

prepared under the sponsorship of
THE EXPORT PROMOTION DIVISION
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NATIONAL COUNCIL OF APPLIED ECONOMIC RESEARCH
NEW DELHI



REGIONAL TRADE STUDY

SURVEY OF INDIA'S EXPORT PROSPECTS

IN

EAST AFRICAN COMMUNITY

National Council of Applied Economic Research

New Delhi

April 1970







PREFACE

In 1968, the National Council was requested to undertake a study of the export prospects for India in 26 selected countries in the Indian Ocean Basin and nearby areas. The study was to form part of a series of 'Export Potential Surveys' which are being performed by independent Indian research organizations for the Ministry of Foreign Trade. The series of studies is sponsored by the U.S. AID Mission to India Export Promotion Division.

The countries covered by this study are: Kenya, Uganda, Tanzania, Zambia, Ethiopia, Malagasy Republic, Libya, Iran, Iraq, Saudi Arabia, Kuwait, Muscat and Oman, Abu Dhabi, Dubai, Ceylon, Burma, Singapore, Malaysia, Indonesia, Thailand, Philippines, Hong Kong, Republic of Korea, Japan, Australia and New Zealand. This report on East African Community (Kenya, Uganda and Tanzania) is one of the series.

The main objective of the study was to assess the export prospects of India in the selected countries over the five year period (1969-74). We have studied the existing pattern and past trends of Indian export to each country, assessed the trade prospects of India in each

country and suggested measures for realising the export prospects. The term 'export' has been used in the wider sense not only to include commodities but also services such as joint ventures and engineering or construction contracts.

Apart from the individual country reports, an overall report covering our general findings with respect to the entire regions of 26 countries has also been prepared and submitted and is being published separately. It may be added that the data given in this report and finds based on this data relate to the period of the field visit of our team which took place in December 1968. It is possible that certain changes might have taken place since the visit of our team. This has to be kept in mind by the readers.

In this country study we have had full cooperation from various agencies in India as well as in East African Community. My special thanks are due to the Ministry of Foreign Trade, Government of India, the Indian High Commission in Uganda, Kenya and Tanzania, and the Governments of Uganda, Kenya and Tanzania and a large number of businessmen and other people whom our team contacted during the field visits.

In the preparation of this report, I had full cooperation from my staff members who were directly responsible for conducting the entire study covering all the countries including the present one. Their names are given in Appendix 1. My special thanks are due to Shri R.S. Sharma, Project Director and Dr. P.C. Jain and Shri V. Krishnamurthy members of team for this country. I hope the report will be found useful by all those engaged in the export effort.

New Delhi
December 1969

S. Bhoothalingam
Director-General

NOTES

1. The dollar (\$) referred to in this report is the U.S. dollar
2. Reference to the present in the report is as of December 1968 the time of the team's visit to this country. The data given and assessments made are also as obtainable then.

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SELECTED ECONOMIC INDICATORS - KENYA

Item	Unit	1960	1965	1966	1967
1. Population	Million	8.1	9.4	9.6	9.9
2. Growth rate of population (compound 1960-67)	P.C./p.a.	2.9			
3. G.D.P. (at current prices)	Million \$	631*	930	1065	1120
4. Per capita G.D.R (at current prices)	U.S. \$	78*	99	111	113
5. Cost of living index	(Base=1939)	292	338	345	351
6. Index of industrial production	(Base=1964)	N.A.	105.4	111.9	116.1
7. Foreign trade	Million U.S. \$				
i) Exports	"	113	147	175	151
ii) Imports	"	196	249	314	299
iii) Balance of trade	"	-97	-102	-139	-148
iv) Balance of payments (current account)	"	N.A.	-15.3	-23.4	-42.9
8. Gold and foreign exchange reserves	"	N.A.	N.A.	51.5	75.8
9. Trade with India					
i) Exports to India	"	3.5	3.6	3.9	3.4
ii) Imports from India	"	6.1	6.1	9.8	8.0
iii) Balance of trade with India	"	-2.6	-2.5	-5.9	-4.6

(contd.....)

SELECTED ECONOMIC INDICATORS - KENYA (Contd.....)

Item	Unit	1960	1965	1966	1967
iv) India's share in total exports	P.C.	3.1	2.6	2.2	2.3
v) India's share in total imports	P.C.	3.1	2.4	3.1	2.7
10.I.M.F. per value	(Units of National Currency per U.S. \$)	7.142	7.142	7.142	7.142

* Old Calculations

Area: 576,000 sq. Kms.

Capital: Nairobi

National Currency: Shillings and Cents.

SELECTED ECONOMIC INDICATORS - TANZANIA

Item	Unit	1960	1965	1966	1967
1. Population	Millions	9.2	10.5	10.7	10.9*
2. Growth rate of population (compound 1960-67)	P.C./p.a.	2.9			
3. G.D.P.	Million U.S.\$				
i) at current prices	"	N.A.	685	762	797
ii) at constant prices	"	N.A.	598	650	662
4. Per Capita G.D.P.	U.S. \$				
i) at current prices	"	N.A.	65	71	73
ii) at constant prices	"	N.A.	57	60	61
5. Growth rate of G.D.P. (constant prices: year 1960)	P.C.	N.A.	1.8	8.75	1.85
6. Cost of living index	(Base = 1963)	114.3	118.1	125.6	
7. Production index	(Base = 1960)				
i) Agricultural	"	100	124	137	137
ii) Manufacturing	"	100	171	197	215
8. Foreign trade	Million U.S.\$				
i) Exports	"	154	176	235	218

(contd.....)

SELECTED ECONOMIC INDICATORS - TANZANIA (contd.....)

Item	Unit	1960	1965	1966	1967
ii) Imports	Million U.S. \$	106	140	178	182
iii) Balance of trade	"	48	36	69	36
iv) Balance of payments (current account)	"	N.A.	-6.5	-3.3	3.6
9. Gold & foreign Exchange reserve	"	N.A.	N.A.	61.3	61.6
10. Trade with India:					
i) Exports to India	"	14.1	13.5	16.1	14.6
ii) Imports from India	"	4.8	9.5	9.4	5.6
iii) Balance of trade with India	"	9.3	4.0	6.7	9.0
iv) India's share in total exports	P.C.	8.9	7.2	6.5	6.7
v) India's share in total imports	P.C.	4.5	6.9	4.9	3.1
11. I.M.F. par value	(Units of National Currency per U.S. \$)	7.142	7.142	7.142	7.142

*The latest census puts the figure at 12.2 million.

Area : 928,830 sq.kms.

Capital : Dar-es-Salaam

National
Currency: Shillings & Cents.

SELECTED ECONOMIC INDICATORS - UGANDA

Item	Unit	1960	1965	1966	1967
1. Population	Million	6.7	7.6	7.7	7.9
2. Growth rate of population (compound 1960-67) p.a.	P.C./			2.3	
3. G.D.P.	Million U.S. \$				
i) at current prices	"	N.A.	626	653	695
ii) at constant prices	"	N.A.	512	536	551
4. Per Capita G.D.P.	U.S. \$				
i) at current prices	"	N.A.	82	85	88
ii) at constant prices	"	"	67	70	70
5. Growth rate of G.D.P. (constant prices: year 1960)	P.C.		5	4.6	2.7
6. Cost of living index (Base = 1951)		138	163	169	173
7. Foreign trade	Million U.S. \$				
i) Exports	"	116	179	188	184
ii) Imports	"	73	114	119	116
iii) Balance of trade	"	43	65	69	68
8. Gold and foreign exchange reserves	Million U.S. \$	N.A.	N.A.	40.9	34.9

(contd.....)

SELECTED ECONOMIC INDICATORS - UGANDA (contd..)

Item	Unit	1960	1965	1966	1967
9. Trade with India					
i) Exports to India	Million U.S. \$	3.3	9.8	5.2	7.7
ii) Imports from India	"	1.2	5.5	5.5	3.8
iii) Balance of trade with India	P.C.	2.1	4.3	-0.3	3.9
iv) India's share in total exports	"	2.7	5.4	2.8	4.2
v) India's share in total imports	"	1.6	4.8	4.6	3.3
10. I.M.F. par value					
	(Units of National Currency per U.S. \$)	7.142	7.142	7.142	7.142

Area : 233,300 sq. km.

Capital : Kampala

National Currency : Shillings & Cents.

SUMMARY AND RECOMMENDATIONS

Highlights of the Economy

0.1 The East African Community, comprising Kenya, Uganda and Tanzania with a population of 28 million, in a relatively modest market at present. Combined GDP in 1967 was \$ 2,612 million and annual imports \$ 597 million. These countries are planning to raise their GDP at the rate of 5 to 7 per cent per annum during 1967-80; this along with growth in population of over 3 per cent per year, may expand the market considerably.

0.2 The primary activity in these countries is agriculture. Coffee, tea, cotton and maize are the important crops in all three countries. In Kenya and Uganda, sugarcane is also important and in Tanzania and Kenya pyrethrum. All three countries want to be self-sufficient in food and are planning to increase both wheat and rice production. They are also taking steps to diversify agricultural production to increase exports.

0.3 Forestry and mining are not very important in the region except in Tanzania. Barring a few textile

and sugar mills, the manufacturing sector consists mainly of small units. The three countries, however, are keen on import substitution industries in which India can increasingly help through joint ventures. The manufacturing sector is relatively most important in Kenya; Uganda comes next and Tanzania follows. There is very little local saving for investment in industries. However, there are a few large industrial houses among which the Madhvanis' and the Mehtas' are the most important, having industrial and trading activities in all three countries. The Government-sponsored Development Corporations are playing the greatest role in industrial development in the Community.

0.4 In the main industrial areas of Nairobi, Dar-es-Saalam, Kampala, Jinja and Lugazi, there are adequate power and transport facilities. Elsewhere in the region such facilities remain to be built. Plans for transport and communication development have been made and there are large building programmes for housing and hotels also. India has openings for trade in all these efforts, especially in building materials and service contracts.

0.5 For marketing, there is a state trading corporation in each country. It is most active in Tanzania where more than one-fourth of total trade is handled by the STC. All the large import houses in Tanzania have been nationalised. India should cultivate the STCs in order to expand exports. Cooperatives, electricity boards, the East African Community (railways, ports, post and telegraph corporations) are important buyers in the public sector; Central Tender Boards and Stores Supplies Departments are also important buyers. The latter buy through tenders, many of which are issued through the Crown Agents in London. General merchandise is handled mainly by Asian traders and machinery and other equipment by European houses. Some of the British firms have their subsidiaries for promoting sales and the Japanese have their representatives to get business. There are indenting agents also and they have an important role in booking orders.

0.6 The trade representatives of several countries, especially of U.K., West Germany and the East European countries, are active especially in canvassing for bulk orders. Relatively, the Indian embassies are inactive.

0.7 In East Africa, trade margins are generally high because of the low volume of business. In some cases the difference between the landed price and the retail price is 100 per cent.

0.8 Most of the imports except from China, Japan, India and East European countries are on credit. In the case of capital goods, imports are generally on deferred payment (which is 2/3rd of the life of the machinery) or under aid programmes.

0.9 In East Africa, publicity is mainly to interest traders; consumer publicity is limited, except in a few consumer items like radios and branded drugs.

0.10 The East African Community has a common tariff. On average, the rate is 30 per cent. Raw materials generally are free of duty, and some of items are subject to 100 per cent duty to protect local industries or raise revenue. Many items, especially those which compete with local products, are subject to specific duties also, and several items are subject to import licensing.

0.11 Exchange control exists mainly to control capital transfers; there are very few restrictions on trade transactions. On current account, even for travel,

remittances of dividends, profits and savings of salaries, etc., there are few restrictions.

0.12. The East African Community countries in the past have faced no serious balance of payments problems; the current balance has been favourable and there has been adequate foreign aid for development. Therefore, exchange control restrictions are minimal. However, this may not continue in the future. The major exports like coffee, tea, cotton, sisal and pyrethrum have uncertain futures, generally because of world over production. Prices are downward and in some items demand is slack due to substitutes. In order to expand export earnings the Community countries are trying to develop local processing, diversification of agriculture, and tourism. However, their estimates of success in these attempts appear over-optimistic. Imports may rise faster for development and hence the balance of payment position may worsen, leading to more exchange restrictions.

0.13 While exports are of a few commodities, a large number of items are imported because of the lack of local supply. Imports of food have risen modestly over the past 10 years, but imports of machinery, transport equipment, other manufactured products and petroleum have soared.

0.14 India's share in the imports of these countries has declined over a period of years to 3 per cent in 1967. This is largely because Indian exports are mainly of cotton textiles, which are falling off because of import substitution. Jute textiles, iron and steel and machinery are other important items of export from India. The main imports from East Africa to India are raw-cashew and raw cotton. Other exports of East Africa have no prospects in India because either we ourselves are exporters of these items or we do not need them.

0.15 India has an unfavourable balance of trade with Uganda and Tanzania and a favourable balance with Kenya. Therefore, the first two countries are not interested in any trade agreement unless India agrees to expand its imports from them, which is difficult due to the structure of their exports. The negotiation of trade agreements, however, is not necessary for expansion of Indian sales to the East African Community countries.

Problems and Prospects for Increased Indian Exports

0.16 Unless India diversifies its exports, India's balance of trade with East Africa may worsen. The most important item of India's exports to this region is cotton textiles, which has a very uncertain future

because of local production and competition from others. Only in blended fibres is there some scope - if we can compete in price with Japan, W. Germany and U.K. The second most important item is jute textiles, in which Uganda and Kenya are also attempting to become self-sufficient in the next few years; hence, exports may be confined to Tanzania. Some of the other traditional exports like spices, mainly consumed by Asians, may also go down as the exodus of Asians from East Africa continues. In order to compensate for these losses and if possible to expand our foreign exchange earnings from this region, we will have to develop new export opportunities.

0.17 The discussion on export prospects for various products in Chapter 6 suggests that in future the brightest opportunities may lie in iron and steel, building materials, engineering products, chemicals, drugs and pharmaceuticals. Industrial machinery, rubber tyres and tubes and paper offer moderate prospects. It appears that, so far, India has not exploited its potential position in these items. In most of the items, the Indian prices are lower than or are the same as its competitors. Only in blended textiles, jute textiles, some iron and steel products and hand tools are we outpriced.

0.18 It is difficult to forecast accurately the export earnings which India may expect from this region in the future because of the uncertain programmes of development in the Community. However, looking to import growth at the rate of 6.5 per cent per annum (1958-67), and the Indian competitiveness in prices in a large number of items, it may be possible to double our exports by 1974, from the 1967 level of US \$ 17.3 million to around US \$ 35 million.

0.19 The realisation of such a target depends on the Indian exporters' and the Indian Government's ability to adjust their policies from time to time to capture these markets. We will have to match salesmanship, quality and trade terms with our competitors. In addition, as we would be new-comers for most of the products, there will be stiff competition from existing suppliers. The break-through will depend on how we solve these problems - diplomatically and commercially. This implies that, in the first few years, we have to be on our toes all the time and more aggressive than our competitors.

0.20 Many parties in East Africa are interested in developing new sources of supply. Many of the import houses of Indian origin are interested in developing contacts with Indian manufacturers for non-traditional

items. But they do not get proper guidance about the suppliers and there is inadequate follow-up either by our embassies or authorities in India. While in other countries, embassies and exporters are very active in developing new contacts, our people are very slow. Firms in India take a very long time in replying to queries and sometimes do not reply at all.

0.21 While the future of exports in this region lies in engineering and chemical items, India does not have a good image in such items. The East African buyers both in the private and the public sectors feel that Indian products are not up to the world standard. Sometimes they discount Indian products up to 20 to 25 per cent in price of comparable Western products and are not prepared to import unless this price difference is conceded. Therefore, the first and foremost necessity for expanding India's exports of industrial products to this region is to make them acceptable by creating a good image of India as a supplier of quality goods.

0.22 In East Africa, India has an advantage in shipping costs and time over most of its competitors (40 per cent less cost and a quarter the time compared with U.K.). Exports, especially of inputs required by

industries, however, should reach their destination on schedule. Importers in East Africa doubt whether Indian exporters will meet delivery schedules, having had bad experience in the past.

0.23 Documents of goods despatched from Bombay either to Mombasa or Dar-es-Salaam arrive much later than the goods which causes inconvenience and demurrage to the importers.

0.24 With the present volume of trade the frequency of shipping service and shipping space are not a problem. But the existing services will not be adequate for increased trade, especially if in the future bulk items like iron and steel and industrial machinery are exported. By 1975 the demand for shipping space to East Africa may double; shipping should be gradually so increased that at no time does shipping pose a problem in boosting exports.

0.25 East Africa at present has a great shortage of technical people. The Governments of these countries, especially Tanzania and Uganda, are very keen to have more experts from India both in the public and private sectors. At present, most of the key technical posts are held by the British, and East Africa would like to reduce its dependence on them. If we can supply good

personnel as required and without loss of time, especially for the state trading corporations and government undertakings, it will help in fostering the sales of Indian machinery and know-how, because these technical officers play a decisive role in the approval of specifications, brands, etc.

O.26 The regional officers of the East African Community and the East African Development Bank are also becoming very important. We should develop continuous contact with them. It should be possible for us to give some credit to this region through the East African Bank; such credit is guaranteed by all three Governments of the Community and hence may be more secure than credit to individual countries.

O.27 Foreign aid plays a very important role in deciding the imports in many sectors. While India cannot match U.K., Germany, China, Russia, U.S.A. and other countries in this respect, it should consider giving moderate aid to secure export orders.

O.28 There is good scope for big service contacts from the Government departments provided we can improve our image as suggested earlier and match the credit and delivery period of our competitors. Initially, there

will be a disadvantage for India because of the British stronghold in this region as advisers and technicians and the preference they show for the goods and services of their own country. This can be overcome if we make contacts at all levels and provide first class services for whatever contracts we receive.

0.29 Scope for joint ventures in collaboration with local industrial houses and/or development corporations is in industries like sugar, textiles and small engineering products. The Governments of these countries are eager to attract foreign capital and they guarantee against nationalisation without adequate and prompt compensation. Repatriation of dividends, profits and interest is liberally allowed. However, all three countries wish that a foreign participant supply not only machinery and plant but also a part of the local capital because there are difficulties in raising capital domestically. This apparently reduces India's prospects.

RECOMMENDATIONS

A. Commodity:

0.30 The following are products which appear to warrant the greatest effort for export promotion to East Africa.

Iron and steel products, especially rods and bars, tubes, pipes, structurals, universal plates and sheets and rails and machine tools, industrial machinery, elec. machinery and cables

Textiles (to retain as much of the market as possible)

Jute textiles (same comment as above)

Medicines and pharmaceutical, especially antibiotics, sulpha drugs and vitamins

Bicycles and parts

Automobile parts and accessories, especially body and electrical

Rubber tyres

Hand tools

Sanitary wares

Aluminium slabs and circles.

0.31 Aluminium: Efforts should be made to improve the finish and packing of our exports of aluminium circles.

0.32 Electrical goods:: For the sale of transformers and motors, everything possible should be done to erase the impression that the electricity loss in products made in India is greater than in products manufactured elsewhere. On motors, after-sales services should be improved.

0.33 Paper: Indian paper manufacturers should, for export sale, produce to a standard of whiteness equal to products of other countries.

0.34 Building materials: The Life Insurance Corporation of India may be helpful in bringing Indian suppliers of building materials in touch with local construction firms.

0.35 Dyes: Indian exporters should recognize that their potential sales will largely depend on their ability to give technical assistance to East African mills in solving their dyeing problems.

0.36 Bicycles: India should improve the design and finish of bicycles in order to capitalize on a growing market in which it is basically price competitive.

B. General

0.37 Indian exporters need to appoint effective sales agents in East Africa and to provide promotional support (including advertising and periodic visits of home office personnel) to establish a position for their products. In the case of engineering goods, it may be necessary for Indian exporters or export organisations to open new sales/service organisations since existing agencies are closely tied to European sources of supply.

0.38 quality, finish, packing, adherence to delivery schedules and after-sales service, all need to be improved to meet competition. Care should be taken to avoid repetition of complaints that goods delivered

do not conform to samples.

0.39 The Indian embassies should maintain good contacts with the various procurement agencies of the East African Governments and of the East African Community and assist Indian exporters in dealing with them.

0.40 Indian embassies should endeavour to obtain feature stories and supplements in local newspapers on Indian industrial and other export products; this can be achieved without expenditure except arranging for appropriate articles, pictures, etc.

0.41 Marking of Indian goods should be done in such a way that they are not erased on the way. Use of old packing, which creates confusion, should be avoided.

0.42 Steps should be taken to eliminate the problem of arrival of documents from banks after arrival of shipments.

0.43 Shipping facilities should be gradually strengthened to keep pace with growth in trade.

0.44 India should consider participating in trade fairs in Kenya and Tanzania particularly to gain exposure for her new industrial products.

0.45 To meet competition, Indian suppliers should be prepared to extend 90 days' credit to good risks rather than insisting upon letters of credit.

0.46 Indian firms should give East African firms the courtesy of replies to their letters and queries even if they are not immediately in a position to consider export orders.

0.47 Indian firms should consider the opportunities for joint ventures in collaboration with local industrial houses and/or development corporations. Sugar, textiles and small engineering products are lines of possibly greatest interest. (Expectation that the Indian joint venture partner would contribute to local capital as well as supply plant, however, is a dampening factor).

0.48 India should be receptive to the interest of East Africa in obtaining Indian technical and other experts in both public and private sectors. Such personnel can help Indian exporters to have their products considered.

0.49 India should consider the possibilities of giving moderate aid to stimulate exports to those countries.

0.50 India should seek to obtain service contracts. Particular attention should be given to the potentialities of developing a continuing construction business.

PART ONE

ECONOMY

Chapter 1

Economy

Land and People

The East African Community (EAC) covers Kenya, Uganda and Tanzania. To the north of it lie Ethiopia, Sudan and Somalia; to the west, Congo; to the south, Zambia, Malawi and Mozambique; and to the east, the Indian Ocean. The EAC is within the tropical belt but because of varying altitudes and distances from the sea, there is wide variation in the climate.

Area and Population

The total area is 1.7 million sq. kilometres, of which roughly half (0.9 million sq. km.) is Tanzania. The total population in mid-1967 was 28.7 million comprising of - Africans, Asians, Europeans, Arabs and others. The structure of the population is as follows:

	<u>Population in 1967</u>					
	<u>Africans</u>	<u>Asians</u>	<u>Europeans</u>	<u>Arabs</u>	<u>Others</u>	<u>Total</u>
Kenya	9,651	192	42	39	4	9,928
Uganda	7,829	91	10	2	2	7,934
Tanzania	10,247	85	15	26	4	10,377
(1966)						

Source:- Statistical Abstracts of the three countries.

Africans form the bulk of the population but most industries and the foreign and wholesale trade are controlled by non-Africans.

Language

Swahili is the local language not only of these three countries but also of the neighbouring countries. However, English is the official language and is understood by the educated. It is also the language of business and trade.

Towns

The capitals of Kenya, Uganda and Tanzania, namely, Nairobi, Kampala and Dar-es-Salaam are the principal business centres. In Kenya, Mombasa, Kisumu, Nakuru and Elodret are the other important towns. Jinja, Lugazi and Mbale are the industrial and business centres of Uganda. In Tanzania, Tanga, Moshi, Mwanza, Matwara,

Lindi and Arusha are important trade centres.

Gross Domestic Product

After their independence, all the three countries drew up development plans, which they have revised from time to time in the light of experience and new developments. The following table gives the latest estimates of the growth of the G.D.P. in the course of the plan periods^{1/}.

^{1/} The composition of the G.D.P. of the three countries is given in Table 1.

G.D.P. at Factor Cost

(In Million £)

Y ear	Kenya	Uganda	Tanzania
1963	851	493	637
1964	916	546	677
1965	930	626	685
1966	1,065	653	762
1967*	1,120	695	797

* provisional

Source: (1) Kenya Economic Survey, 1968.

(2) Background to Budget 1968-69 - Uganda.

(3) Background to Budget 1968-69 Tanzania.

A comparative picture of the planned and the attained rates of growth is given below:

Rate of Growth

Country	Period	Compound rate of growth of		
		Popula- lation %	G.D.P. planned %	G.D.P. attained %
Kenya	1963-67	3.1	5.7	5.3
Uganda	1962-67	2.4	8.8	5.5
Tanzania	1962-67	4.1	8.8	4.3

Although the planned growth is fairly high,

significant improvement in the ~~per~~ capita product is seen to have been achieved ^{1/} because the population has also increased. The per capita product and its changes during the plan period are as shown below:

(In \$)

Country	Per capita product	
	At the commence- ment of planning	In 1967
Kenya	96.74	104.02
Uganda	60.06	69.72
Tanzania	54.74	55.72

Non-Africans are much better off than the Africans in all the three countries. Among the Africans, the Ugandans are said to be enjoying a better standard of living than the Kenyans or the Tanzanians.

All the three countries have substantial non-monetized sectors.

The Primary Sector

A striking feature of these three countries is the predominance of the primary sector, although between them there is a difference in the degree of its importance.

^{1/} Figures of per capita product are used as proxies for per capital income.

The primary sector accounts for 60 per cent of G.D.P. in Uganda, 54 per cent in Tanzania and 35 per cent in ^{1/}Kenya. Kenya derives a sizeable income from the secondary and tertiary sectors as against the almost exclusive reliance on agriculture in Uganda and Tanzania. Mining and quarrying are not important in Kenya; as they are in the other two countries.

(a) Agriculture

The pattern of land use is presented in the table below:

<u>Land Utilisation Pattern</u>			
	Kenya	Uganda	(¹ 000 hectares) Tanzania
1. Total area	58,264	23,604	93,970
2. Land area	56,925	19,387	88,622
3. Agricultural area:			
(a) Arable land and land under per- manent crops	1,696	3,785	11,922
(b) Permanent mea- dows and pas- tures	3,919	-	34,716
4. Forested land	1,658	1,661	35,354
5. Other area	50,991	11,911	6,630

Source: F.A.O. - Production Year Book, 1967

^{1/} Figures relate to 1967. The percentages differ if we limit the reference to monetary economy only. Monetised primary sector forms only 20% of the monetary sector in Kenya while it is 45% in Uganda.

The table shows that Tanzania has relatively large tracts of arable land; Kenya and Uganda have less.

Land in Uganda is quite fertile and rainfall is even. But in Kenya, the area under intensive cropping or grazing without irrigation is limited to a narrow strip along the coast and to the higher elevations where rainfall is more or less assured. In Tanzania only certain areas receive adequate rain and the population is concentrated there.

The main crops grown ^{1/} in the three countries are:

- Kenya - Coffee, tea, sisal, pyrethrum, sugarcane, wheat, maize, rice and pulses
- Uganda - Coffee, cotton, tea, sugar, groundnuts, sorghum, sweet potatoes and cassava
- Tanzania - Sisal, cotton, cashewnuts, coffee, tea, pyrethrum, groundnut, maize and rice.

The organisation of agriculture in all the three countries is broadly of two categories: (a) estate and (b) subsistence farming. The Estates were in the hands of

^{1/} Data on the principal crops grown is given in Table 2.

non-Africans who invested large amounts of capital in plantation crops like coffee, sisal and tea. Measures are being taken to Africanise these estates gradually and to improve the position of the African farmers by a series of measures including land consolidation, research and advisory services, and provision of credit. These measures are bearing fruit and now African supplies to market are increasing.

Kenya's development plan has allocated nearly one-third of her development expenditure to agriculture and irrigation while Uganda and Tanzania have allocated 18 per cent and 12.5 per cent respectively.

The higher percentage of expenditure in Kenya is mainly due to an irrigation programme. The Mwea, Tana River and the Perkerre schemes have been initiated to grow paddy, cotton and onions respectively. With the assistance of International Development Association and Swedish government loans ranch development schemes are being undertaken. Tractor centres are being opened in eight districts. Extensive credits are being given by I.D.A. and West Germany to promote farm development. Some of the money will be utilised for the purchase of agricultural implements.

As Uganda agriculture does not immediately require irrigation facilities, the expenditure is primarily on a tractor hire scheme, fertilizers, pesticides and other inputs to attain a higher yield. Another important objective is to diversify the crop pattern as Uganda is at present mainly dependent on coffee and cotton.

In Tanzania, farming is mainly rain fed. Irrigation facilities are limited. According to the World Bank study^{1/}, the potential for irrigation is also limited; only 2 per cent more of the area can be brought under irrigation. The emphasis therefore will be on the supply of credit, improved seeds, fertilizers and insecticides.

^{1/} Economic Development of Tanzania: IBRD.

The aim of all three countries is to be self-sufficient in food. As it is, only Kenya has any surplus. But in a bad year, even Kenya goes short. The present surplus of maize in Kenya cannot be exported except through heavy subsidies.

(b) Forest

Forest land accounts for over one-third of the total area in Tanzania; Kenya has about 3 per cent of her total area in Forest land and Uganda, 7 per cent.

Kenya has been exporting timber and the value of these exports is likely to increase. A big pulp and paper mill is to be started in the near future. There are 70 saw mills in Kenya.

Although the production of lumber is increasing in Uganda, imports are rising with the increasing demand. Tanzania exports considerable quantities of wood but imports wood products.

(c) Mining

Mining is not a major industry. In Kenya, 73 per cent of the area has been geographically mapped and surveyed. The survey does not indicate much mineral wealth. The present production includes small quantities of soda ash, copper, gold, silver, salt and asbestos.

The correct estimate of the mineral resources of Uganda and Tanzania is available as no proper geological survey has been conducted in the two countries. Copper and phosphate are amongst the most important minerals; Uganda has been mining and exporting both of them. The mining domestic salt in Uganda is not adequate to meet the demand.

In Tanzania, diamond mining accounts for three-fourths of the total mining activity. Production of salt, mica and tin is also rising. Large deposits of coal and iron ore have been discovered. Where access is difficult the iron ore contains titanium, which makes the standard methods of smelting unsuitable and access to the coal mines is rather difficult as they are located in the far south. Therefore, Tanzania is presently unable to derive any mentionable benefit from these deposits.

Manufacturing Sector

The contribution of the manufacturing sector is the lowest in Tanzania at 5.5 per cent while it is 8 per cent and 11 per cent of the G.D.P. in Uganda and Kenya respectively. The industries established so far, are of the import substituting type. The future policy also seems to be one import substitution.

KENYA

Industry in Kenya is much more diversified than in Uganda and Tanzania. Kenya encourages private investment, and the allocation of public expenditure for commerce and industry is only 4 per cent. Government is prepared to encourage private investment by financial participation through the medium of the Development Finance Company (DFC) and Industrial and Commercial Development Corporation (ICDC).

During 1963-67 the growth of the output of industry has been at an average annual rate of 8 per cent. The fast growing sectors are textiles, paper and printing, non-electrical machinery, petroleum, footwear and clothing, rubber and cement.

Though there are still substantial imports of textiles, the production is in excess of the demand. Unless diversification of production occurs, the textile industry will be in serious difficulties.

New enterprises which started production in 1967 include firms making dry cell batteries, plastic products, cables, and steel wool. Other manufacturing enterprises under construction are a fertilizer factory, a plywood factory (which makes tea chests), an extension to the bag and cordage factory, and a jute bag factory. A paper and pulp mill (a Birla project) and a steel strip rolling mill are likely to be started in the near future. The construction of a rubber tyre factory is under negotiation.

An industrial estate is functioning with a view to encourage African entrepreneurs. Ten producers have already been chosen to manufacture plastic rain-coats, hand bags, paper pins, staple pins, hinges, zip fasteners, wire nails, shoe-eyelets, bicycle spokes, metal buckets, generator re-winding and paper-clips. The market is so small that in several of the items a medium size factory is able to meet the demand.

UGANDA

The G.D.P. has had an 8 per cent share in the total manufacturing in the years 1963-67

The Second Five Year Plan (1966-71) has placed emphasis on industrialisation of the economy. The planned gross capital formation during this period in the industrial sector is 20 per cent of the total. The manufacturing sector is expected to grow at an annual rate of 11.5 per cent. Cotton ginning, coffee curing and sugar manufacturing are planned to grow at a lower rate while the other miscellaneous manufactures, such as iron and steel and light engineering industries are expected to grow at a higher rate.

The private sector has been assigned an important role in industrialisation. The Madhavani and Mehta groups are the most important sources of domestic private capital. The Uganda Development Corporation, a government undertaking, is now interested in many industries and has become the largest investor. The U.D.C. assists small entrepreneurs in setting up new industries.

However, the growth of the manufacturing sector has been largely the growth of the above three groups.

There are three cotton textile mills, one rayon mill and one blanket factory. There are no prospects for new textile mills as there is no demand for new textiles. The existing mills have to diversify their production to equate the supplies with the demand. There are three sugar mills. The machinery is being supplied from India. A fourth one is going to be constructed soon for which India will supply the required machines.

The Madhvanis have a steel rolling mill at Jinja which works on scrap. It makes steel ingots and angles, squares and bars. The tube mill makes tubes for metal furniture, bicycles and electric conduits. A wiredrawing mill is also being planned.

There are three units making aluminium hollow-ware and steel kadais. They are entirely dependent on imported circles. The value of aluminium hollow-ware output attained in 1966 was over 6.5 million shillings.

Uganda is still partly dependent on Kenya for its cement; one cement factory in Uganda is not enough to meet the demand. Another factory is under construction. A jute bag factory is likely to be established in the near future with the collaboration of the Birla Brothers. An integrated steel mill, a spinning mill, pharmaceutical factory and a tannery will also be constructed with foreign collaboration.

TANZANIA

The manufacturing sector in Tanzania is the least developed, contributing only 5.5 per cent to the G.D.P. But even this is a large achievement for Tanzania as the manufacturing sector contributed only 3 per cent to G.D.P. in 1960. A number of industries like textiles, cement, soap, cooking oils and petroleum have been started recently under the protection of transfer taxes.

The construction of by three big units and three small ones has increased the textile production. All the units have spinning sections. There are two cement units which not only meet domestic requirements but also have a small surplus for export purposes.

There is a big aluminium rolling mill based on imported slabs, as the demand is ~~small~~, it is working below capacity.

The industries that are coming up in the near future include a paper and pulp factory, a sisal and kenaf bag factory and a salt factory. Tanzania is also interested in having a textile mill (with higher counts) and a glass and fertilizer factories. The Industrial Studies and Development Centre, which is a part of the Commerce and industries Ministry, has completed feasibility studies for 36 different projects. They are available to potential investors free of cost. Some of the important projects studied are slotted angles, builders' hardware, mineral water, and animal feed.

A rubber factory and a tyre factory are planned. A steel mill on the basis of local iron ore is under active consideration. Cashewnut processing and diamond working industries are also likely to expand.

The industries listed below are eligible for rebates of import duty on the materials they import for production: (1) rubber products, (2) smoking pipes, (3) canvass goods, (4) fishing nets, (5) radios, (6) garments, (7) galvanised sheet, (8) enamel hollow-wares, (9) primus stoves, and (10) the spinning, weaving, bleaching, dyeing and printing of textiles.

Problems of Industrialisation

The problems of industrialisation in all the three countries are the same. There is no domestic capital, and no technical know-how or managerial ability. The lack of adequate demand and the high cost of production are also default factors. Without foreign collaboration peoples in the industrial field will be very slow. To attract external investors, these countries are prepared to be flexible in their terms. In all collaboration

agreements the emphasis is on the training of local people.

The EAC Treaty provides cooperation for enlarging the market by giving exclusive licences to a particular country. But in practice so far it has not achieved much. Competing industries have been established in the three countries.

The railways have replacement plan. Roads are being bituminised. New telephone exchanges are being installed in Kampala and Dar-es-Salaam by the Indian Telephone Industries. Many more of the same are under consideration. Both Tanzania and Uganda have surplus electrical power, while Kenya has a deficit. All of them have expansion plans.

Buildings and Construction

Construction activity is proceeding at a very rapid rate in all the three countries. In the towns, the shortage of residential accommodation is acute. Many new hotels and office buildings are under construction.

Building materials like iron and steel, sanitary wares and electricals goods largely imported, though several items are available. The locally consulting engineers have a say in deciding from which complete materials are to be imported.

Tertiary Sector

In the tertiary sector the government and commerce account for the bulk of the G.D.P. In Kenya and Tanzania 14 per cent of the G.D.P is contributed by commerce while in Uganda can account for only 10 per cent. The higher percentage is in Kenya because Kenya also handles the trade of her neighbours.

The expenses met by the government the various services account for 11 to 12 per cent of the G.D.P. in Kenya and Tanzania, while in Uganda it is only 4 per cent.

There is a shortage of accountants, doctors, teachers and engineers. However, the africanisation programme is progressing in the other sectors.

Future Prospects

The three countries have ambitious plans of transforming the structure of their economy through industrialisation and Africanisation. Tanzania and Uganda hope to increase at a rate of 8.8. per cent while the

Kenya's aims at a relatively modest rate of growth of 5.7 per cent. In the past the actual growth rates have fallen for short of the targets. To attain the above targets, substantial rates of investment (say 25 per cent of total G.D.P.) are required. The flow of saving required to finance this rate of investment flow is yet to materialise. One-quarter of total G.D.P. does not enter the market. Even in the monetized sector, not only is the Africans' income lower, they also to develop the saving habit. Hence the bulk of investment funds have to come either from resident non-Africans and the Governments or from foreign sources. The resident non-Africans are reluctant to stake their savings because africanisation policy, while the Governments are not in a position to raise resources through taxation. The flow of foreign aid and loans is also short of expectation. Thus it is difficult to raise both foreign and domestic resources for the plan projects. Development plans in East Africa are largely indicative in as much as they depend on private initiative for their fulfilment. Certain lines of

investment mentioned in the Plan might not take place at all. On the other hand, over-investment and consequent waste are likely because of competitive investment in the established lines. Investment in the textiles industry is a glaring example of the latter. Moreover all the economies have large export sectors. A slight fall in the export prices would affect the rate of growth considerably.

PART TWO

TRADE

Chapter 2

MARKET STRUCTURE

In East Africa, the import of various commodities is carried on by the State Trading Corporations, the cooperatives, the private traders (Europeans and Asians), the Government and the East African Community.

State Trading Corporations

In all the three countries, there are State Trading Corporations. In Tanzania, the role of the Corporation in the import trade is more important than in the other two because of the nationalisation of the leading import houses.^{1/} The STC of Tanzania has six divisions - grocery, general merchandize, technical and electrical equipments, textiles, export and shipping.

In Uganda, the STC, called the National Trading Corporation, was started in 1966 and now is the sole importer of 15 commodities. Kenya's STC known as the Kenya National Trading Corporation Ltd., started operating in 1965. It has a monopoly in a number of products.

^{1/} (a) A. Baumann & Co., (b) Dalgety & Co., (c) Smith Mackenzie & Co., (d) Wigglesworth & Co., (e) Cosata, (f) Intrata Ltd., (g) Twentsche Overseas Trading Co. and (h) African Mercantile Company.

The statement of the monopoly items of the three corporations is given in Appendix 2.

There are no published data on the details of imports of these corporations. But their share in the total imports of the three countries can be estimated as follows on the basis of their monopoly purchases.

	('000 U.S.\$)	
	<u>1966</u>	<u>1967</u>
Tanzania	46,402 (25.2)	52,722 (29.7)
Uganda	8,081 (6.7)	(6,203 (5.2)
Kenya	29,625 (9.5)	12,124 (4.0)

-
- Notes: 1) In Tanzania both STC and private trade is allowed. The total imports of those items have been taken as STC imports.
2) Figures in brackets are percentages of the total imports.

As stated earlier, the STC is most important in Tanzania where besides a range of consumer items, it handles the import of most of the machinery.^{1/} But the policy of all the three countries in future will be to strengthen

^{1/} Now, only J.S. Davis & Co. and a few small importers are in the private sector to import machinery.

the STC's and bring more commodities under their wing. In Uganda and Kenya, the STCs at present import mainly consumer items. It may be worthwhile if India develops and maintains contacts with the STCs and invites some of their representatives to acquaint them with her range of production.

Cooperatives

Agricultural products are largely marketed by cooperatives in all the three countries. There are central unions and societies for the marketing individual products and they also handle agricultural inputs. In the earlier stages they were buying such inputs locally through commission agents or from the distributors. Now they import directly. For instance, in Uganda, jute goods are imported mainly by the cooperatives. The cooperatives also deal in agricultural implements. It will be a good idea if India can contact the cooperatives in these countries to help the export of the jute and agricultural machinery.

Electricity Boards

In East Africa, specially in Uganda, Electricity Boards not only distribute power but also deal in domestic electrical appliances. They want to expand this business and are interested in developing new contacts.

If Indian exporters can invest their items like refrigerations, water heaters, electric irons and other domestic it be greatly so on advantage.

European Houses

After ~~then~~ ationalisation of the big import houses in Tanzania, only one or two private import houses remain. In the other two countries, British import houses (especially Dalgatey & Co., A Baumann & Co., Twentsche Overseas Trading Co., Wigglesworth, G. North and Sons Gailey & Roberts, Gilfillan & Co., Old East African Trading Co.) are the main importers of machinery. They have branches all over the country, where they keep ready stocks of machinery and spares and provide with repair and service facilities. These European import houses work on an exclusive agency basis. They do not readily change their agencies - unless the price difference is 20 to 25 per cent; some of them may not be willing to change at all. Actually, the concentration of machinery trade with the British import houses is one of the biggest hurdles for India has to encounter, especially in Kenya. In Uganda, there are two Indian industrial houses, viz., the Mehta Group and the Madhvani Group who often import directly

and India can contact them to develop the export of machinery. In Tanzania contacts have to be made with the State Trading Corporation.

Asian Importers

In all the three countries, at the moment, imports by African importers are insignificant. Most of the trade in food, general merchandise, cotton and woollen textiles, building materials, simple engineering products (which need little after-sales-service like bicycles), are in the hands of Asian traders. However, gradually the Government is trying to get this trade for the Africans by the licensing of trade and by the diversion of imports through the STC. Asian traders combine the importing, wholesaling and the retailing of various products.

Other Importers

Besides the above, there are a few other importers. Some of the manufacturing companies like Dunlop Rubber Co., and Raleigh, import directly. From their parent firms. They have in turn appointed their own distributors in all the three countries. They generally place their orders with their parent companies in U.K. but if the parent company is not in the best position to meet their demand, they pass on their orders to sister concerns in the other

countries. For example, Raleigh is the sole importer of bicycles made by the Gen Raleigh & Co. and T.I. Cycles in India. Similarly, when Dunlops find it economical to import from India, they do so. Basically however they are expected to import goods from their parent companies and not from those with whom they have own collaboration.

Indenting Agents:

In all these countries,^{1/} imports of most items like textiles, jute goods, iron and steel, and other building materials, light engineering products (non-branded), accessories for automobiles, cycle spares, etc., are through indenting agents, who charge a commission of 2 to 5 per cent depending on the product and the size of the order. The indenting agents deal in a large number of commodities and quite often they have no connection with each other. In certain time instances they represent a number of companies for the same product as in the case of iron and steel and textiles. There are only few indenting agents who agree to deal on an exclusive basis.

^{1/} Except for agency items, where one has to keep stocks and provide after-sales-service facilities.

Role of Banks

In Tanzania banks have been nationalised and so the foreign banks have no influence in the export promotion of their parent countries. In Kenya and Uganda, on the other hand there are a number of foreign banks. Some of the British banks like National and Grindlays, Standard and Barclay are very active and play an important role in the financial structure of Kenya and Uganda. They also help in the promotion of exports from the U.K. They keep a close track of the economic and business developments in these countries and report regularly to their head offices in London. In London, this information is passed on to the local clients.

Two of the Indian banks have offices in Kenya and Uganda but a large proportion of the trade with India is through the non-Indian banks; the foreign banks are better known and have wider contacts than the Indian banks. Because of the shortage of manpower, Indian banks are not as active as they should be, nor do they keep track of the economic and trade developments in these countries. Their contacts are largely with the Asian traders. It may be possible to get them to take an active part in

India's export promotion efforts, if they are made to keep a close watch on the economic trade developments in these countries and report back to India. Similarly, they should be kept informed of the economic production developments in India, especially the new industrial developments. They should pass on this information to their customers and other business men in Kenya and Uganda so that the buyers there can be better informed about India's export potentialities.

Representatives of Foreign Suppliers

Japan is trying to promote the exports of its products to this region through local offices of its leading trading companies, of which Mitsubishi Shoji and Mitsui are the most important. Some manufacturers in Japan and their representatives in the head offices in Nairobi travel throughout East Africa; they keep contacts with the importers and get trade information, prices quotations and publicise their products and book orders. India does not have any representatives; only the State Trading Corporation has an office in Nairobi. The Engineering Export Promotion Council and the Cotton Textiles Export Promotion Council also have their offices in Nairobi.

The Rayon and Art Silk Export Promotion Council which had an office was closed in January 1969. Our Councils are not active and their representatives rarely visit Tanzania and Uganda.

Role of Government Trade Representatives

In East Africa, the diplomatic missions of U.K., China, Japan and East Europe take an active part in promoting the exports of their countries' products. They have contacts both with the Governments and the private importers. These missions get all the information they need about each importer, and they send the importers product literature regularly so that they are aware of what their respective countries can offer as exports. They also invite local importers to visit their countries. Such invitations, have a great impact on the buyers whether they are in the Government or in the private sector. Relatively, the Indian Missions are less active. Their contacts are mainly with the Asian traders and not with the European import houses or the buying departments of the Government. Contacts with Africans who are now emerging as importers are also inadequate. The Importers are not

fully satisfied with the trade and information services of our missions. The deficiencies in our services can be attributed to the shortage of personnel and the lack of material from home.

Purchases from China, Russia and other East European Countries

The communist countries' export is mainly on a bilateral trade/loan basis. China and Russia supply considerable amount of consumer items and help local development through the counterpart funds. This has greatly helped China and Russia to sell a number of their consumer items. Besides, the finish and the prices of the article from China are competitive for example in items like hardware.

Trade Margins

In East Africa, there is no uniform consumer price. There are wide shop-to-shop differences even where the branded products are concerned. Moreover, the same firm does the importing, wholeselling and retailing. Therefore it is difficult to to gage the margins of people on the different operations or the overall once. However, on the basis of discussions with the trade, it can be seen that where items such as foodstuffs and textiles are the

concerned the difference between the landed price and the retail price is 22 to 25 per cent. In the case of superior cloth like rayon and synthetics and foodstuffs and spare parts which are rather slow moving, the margin is 60 to 65 per cent. The difference between the landed price and the retail price of some other items is more than 100 per cent.

Often when the landed cost of Indian goods is cheap and identical goods from other countries are expensive, the importers try to sell both the Indian goods and the other goods at the same price and take a higher margin of profit on the Indian products. The CIF price difference between the Indian and the U.K. is eight times for some of the items. However, they are sold more or less at the same price. If the sellers maintain normal ratios between the retail price and landed cost, many Indian engineering products will sell much better than at the moment.

Import Credit

Discussions with the importers, commercial banks and Government officials show that in all the three countries, imports other than those from China, Japan,

India and East Europe, are on 90 days' credit. In certain cases, 120 to 180 days' credit is extended. Much of the credit is actually given by the "confirming houses" in London. The normal practice is for the importers to have their credit limits fixed with the "confirming houses". When they place an order with an exporter in Western Europe and/or U.S.A., they send a copy of the order to the "confirming house", which agrees to pay the exporter on presentation of the documents and, the 'house' opens the credit to the importer, normally for 90 days. The 'house' charges 2 to 3 per cent commission on the value of the invoice, as service charges for 90 days and this works out to 8 to 12 per cent per annum. The rate differs according to the standing of the importer.

Importers in the region would like India to supply goods on credit for 90 days. If India is to develop her trade, she should fall in line with the general practice.

Most of the machinery imported is either on credit extended to the Government or on deferred payment. The period of credit is usually 2/3rd of the life of the machine; The down payment is 20 to 25 per cent and on the balance an interest of 8 to 9 per cent is charged by most

of the suppliers from Western Europe and the U.S.A. At the moment Japan does not give any credit to the buyers. Eastern Europe and China give credit only to the Government importers. The importers feel that because of the shortage of funds, credit is the crucial factor which determines the source of supply and price is less important. The bank gives no guarantee in such cases and the exporter bears the risk either himself or makes use of the export credit guarantee facility available in his country.

Purchases by the Government

The Government is an important buyer in all the three countries. In the last three years the share of the Govt. in the total purchases has been as follows :

	<u>Share of Government</u> <u>Imports in Total Imports</u>			
	1965	1966	1967	(Value '000 US\$)
				1968 (Jan.-Aug.)
<u>Tanzania</u>				
a) Total Imports	140,000	178,000	182,073	141,842
b) Govt. Share	9,631	72,245	21,179	20,432
c) (b) as % (a)	8	10	11	14
<u>Uganda</u>				
a) Total Imports	114,436	119,000	116,000	79,483
b) Govt. share	11,186	14,496	15,162	7,113
c) (b) as % (a)	10	12	13	9

	1965	1966	1967	1968 (Jan.-Aug.)
<u>Kenya</u>				
a) Total Imports	219,305	314,709	298,469	210,447
b) Govt. share	23,684	55,910	50,881	36,184
c) (b) as % (a)	10	18	17	17

Source: East African Customs - Annual Trade Statistics.

Major Governments agencies like electricity boards, railways and the postal departments make their purchases directly. There is a common organisation for railways with head office at Nairobi. Government organisations make most of their purchases through world tenders for the major development works. Many of these developments are carried out by loans from the World Bank. Under these tenders only the member countries of IBRD can bid and this prevents the communist countries from competing. Government organisations are also prepared to buy from a particular country on a basis of tied loans. Under this arrangement they call for tenders in the country from where they buy. However, credit terms are required for these loans, the grace period, instalments, rate of interest, etc., are to be the same as those of the World Bank. They feel that

the Indian exports to the railways, ports, postal departments and the electricity boards will expand considerably if India is prepared to extend the credit to them.

The other Government purchases are through the Central Tender Boards which function in each country. The purchasing departments have to inform the Tender Board about the specifications and the quantity needed. On the basis of this, the Tender Board prepared notices of purchase. The notices are published in the local news papers and an advance copy is sent to all the Embassies. For big purchases, the Central Tender Boards have appointed large scale Crown Agents in London as their buying agents the tender forms and other details are issued by them. There are two stages of the tender, especially in the case of machinery. To begin work they invite parties to qualify for tendering, in this way the Board satisfies itself that the party concerned will be in a position to supply the goods according to specifications. Only approved parties are entitled to submit tenders.

After receiving tenders, a special committee for each tender is set up, consisting of some permanent

members of the Board and other specialists from the departments concerned. Where the Boards do not have their own specialists, they take the advice of other experts. In awarding a tender, not only the price but the quality is a deciding factor. Credit facilities available to the supplier, his past experience, etc., are the other considerations which decide the issue. The final award however, depends largely on how one is able to influence the members of that particular committee.

World tenders are submitted to the Crown Agents who open these tenders, select three or four of them and send only selected ones to the Central Tender Board for the final decision. Thus, when considering such tenders one has to cultivate both the Crown Agents and the officials of the Central Tender Board.

No authoritative information about the prices at which tenders are awarded is available. But it is learnt, especially in Tanzania, that Indian prices are often cheaper than the prices in the other country. India however, does not get the tenders because of her insisting that the Government buyer concerned should open a Letter of Credit. The Government on the other hand

wants to make payment only after the goods have been received and inspected by the Government Officers. Both the Central Tender Board and the Stores Purchase Department suggest that India should agree to receive payments after the goods have been delivered and inspected; there would then be a considerable increase in the number of tenders being given to India especially for commodities like iron and steel, stationery and other regular Government purchases.

Publicity

In the East African Community publicity is not very important except for a few items like pharmaceuticals and branded consumer goods. Therefore, publicity is generally aimed at importers, wholesalers, and retailers rather than at the consumers. To reach the middlemen, press publicity and personal contacts are most popular. Where publicity is aimed at influencing the consumer, the most important medium used is the radio.

The cost of publicity is relatively cheap. Only in the case of the daily papers viz., East African Standard Daily Nation, etc., are the rates high. In Tanzania, there is no television. In the other two countries, TV

rates are not high and radio publicity is cheap.

There is no facility in East Africa for the making of film slides, they have to be prepared elsewhere. The printing of other publicity material will be much cheaper if done in India. Swahili - the language of East Africa is becoming popular and papers published in the language will be of importance.

Some embassies including that of India bring out special supplements. Such supplements are relatively cheap. For every two pages of advertisement, the publishers allow one page write-up free of charge and it is possible to get enough advertisements from the local traders to cover costs. It is difficult for the Indian High Commissions to prepare proper write-ups. If the Ministry of International Trade, the Export Promotion Councils and individual exporters can supply the proper write-ups, special numbers can be arranged more frequently and more effectively.

The cost of publicity is normally shared equally between the exporter and the distributor. The exporter meets 100 per cent of the cost of publicity only in its

initial stages. List of the leading publicity agencies is given in Appendix 4.

Exhibitions

In Tanzania and Kenya, there are annual trade fairs at which several countries display their goods. These are good media for getting orders and publicising products. In Tanzania, it is very important for India to participate in the trade fair in Tanzania. India has a permanent stall in Kenya, but last year it did not participate. In Uganda, there is no regular trade exhibition but it could be worthwhile if India arrange one for her own goods. When such exhibitions, are held, the emphasis should be on industrial machinery, electrical motors, diesel engines and light engineering products. There should be proper trained personnel who can demonstrate the working of the items on display and also book orders. The High Commission in Uganda can help us in getting the exhibition premises free of cost.

Import Procedure

A list of items subject to import licences is given in Appendix 5. Once an import license is given an exchange permit is not needed. The purpose of the import license is

generally to protect the local industry and sometimes to help Africanise the trade. There are import licensing boards or committees who meet twice or more often in a month and take decisions on import licence applications. Africans or those firms having African partners get priority. It is known that there are malpractices in import licensing especially where the margin of profit is high or where the imports are restricted. As a general policy, there is no quota restriction, but in practice import licensing implies quota restriction, because the committee concerned decides also the quantity to be imported before the license is given. Imports like saris, footwear, leather goods, certain cotton textiles, etc., from India could not be increased because of the licencing restrictions.

The authorities insist that the applicant gives a copy of the proforma invoice and the aggregate value of the intended imports in the import application. It would help if the Indian exporters have fixed prices for a period of two to three months covering more or less the period required to get the import licence and thus avoid a great deal of inconvenience of expenditure.

Weights & Measures

In East Africa until December 1968 the imperial system of weights and measures was followed. From January 1969, there has been a gradual change to the metric system. It will probably take three to four years to complete it.

Shipping

The sailing time between India and East Africa is 8 to 9 days and so India has an edge over Europe, from where it takes three to four weeks to reach East Africa after the closure of the Suez Canal. Shipping space is not a problem, except occasionally for heavy items like iron and steel. There are two passenger ships, 'Kampala' and 'Karanjia' which sail once a month from Bombay to Mombasa and Dar-es-Salaam and a third ship sails every alternate month. These passenger ships do not carry loads above 2,800 tonnes each, because, if they do, they will be treated as cargo ships at Mombasa Port and will not get the priority of berthing. As they are passenger ships, they cannot take very heavy or large items. In the last few months, a cargo ship has started operating from Bombay to Mombasa and Dar-es-Salaam and the problem of shipping has been solved to a large extent.

From Calcutta there is at least one cargo ship a month. It takes 10 days to reach Mombasa. Often, it is not fully loaded. Although there is no shipping problem between India and East Africa, it may be worth-while for some of the Indian ships to Europe to call at Mombasa and Dar-es-Salaam ports, when large orders of heavy items have to be met.

Due to the congestion of berthing space in Mombasa harbour, three out of four ships coming from Calcutta have to be unloaded in mid-stream. It does not cause any problem for jute or steel, but where items like sheet glass and sanitary-wares are concerned it leads to heavy breakages. The ships are not prepared to wait for berthing space as it will mean heavy losses.

The shipping space from East Africa to India for import of cashew nuts and cotton will not be a problem if the import schedules are evenly distributed. But as the import licences by the Government of India are given at any one time for large quantities does create a space problem it especially for the cotton from Mombasa.

Due to her nearness, India also enjoys freight advantages. The freight rates from India to East Africa are much lower than those from the U.K., as are shown below:

	(U.S. \$)	
	<u>Freight from U.K.</u>	<u>Freight from INDIA</u>
Tools per tonne	40.05	16.50
Glass Cargo M'Scent per C.metres	40.80	15.50
Machinery per tonne	40.05	16.50
Iron & Steel per tonne	29.25- 40.05	16.50

Packing

Importers in East Africa complain that Indian packing, whether for outward transport or for the consumer, is much inferior to that of its competitors. The wooden cases break on the way leading to pilfering and damage. The packing of iron and steel, pipes and other steel materials is very poor. Packages become loose by the time the goods reach the port and because the items get mixed up it becomes very difficult to sort out the orders of the different parties. Some times, as in the case of cast iron pipes, breakages may reach 45 to 50 per cent. due to these reasons those parties who clear the goods earlier get the good pieces and those who clear these

later are at a disadvantage. Poor markings are also irritating to the port authorities. One of the shipping companies viz. the Bank Lines in Mombasa suggested that the best method of packing, especially the pipes, is to put them in crates though this may add to the cost.

Documentation

In East Africa, almost every importer complained that documents from India reach much later than the goods shipped from Bombay. The ships take 8 to 9 days to reach Mombasa and 11 to 12 days to reach Dar-es-Salaam, while the documents take 2 to 3 weeks. The problem is more acute in the case of goods for Uganda because documents are first received in Uganda and are then sent to Mombasa for clearance. As only four days are given to clear the goods without demurrage from the landing, the late arrival of documents leads to a substantial demurrage charged by port authorities. If the documents are submitted before the arrival of the goods, a rebate of 2 shillings per tonne is allowed.

The delay in the documentation from India is for various reasons: (1) The shipping companies in Bombay

deliver the documents to the exporting firms only after the ship has sailed, (2) exporters themselves take 1 to 2 days in preparing documents for the banks and (3) The banks take another two to three days. At the receiving end banks deliver the documents after a couple of days. It is difficult to quantify the cause of delay but this can certainly be remedied.

Chapter 3

FOREIGN TRADE POLICY

East Africa depends on foreign trade to a very large extent; production for export equals 30 per cent of the G.D.P. A few agricultural commodities account for the bulk of exports. World prices of most of these commodities have been declining and this has worsened the terms of the trade of these countries. On the other hand, their programme of industrialisation will require increased imports of machinery and intermediate goods.

The formation of the East African Community in 1967 is a significant development. This will affect the future growth of industries and the pattern of imports. The treaty contains several clauses which regularise the intra-African trade in the framework of a common external tariff.^{1/}

The treaty removes all the physical barriers to trade amongst the three countries. There is a provision

^{1/} 'Treaty for East African Cooperation', June 1967, signed by the Heads of the three States by virtue of which the East African Community came into being.

for the harmonisation of fiscal incentives offered by each country towards industrial development. The most far-reaching provision in the treaty is that of a transfer tax system. This allows the countries with deficit in their trade in the manufactured commodities to impose a tax on the export of the surplus country at a maximum rate of 50 per cent of the normal external tariff. In addition, the East African Development Bank, set up as a result of the treaty, is asked to give priority to projects raising the industrial level in Uganda and Tanzania, upto that of Kenya. In each of the five year period, 38.75 per cent of the Bank investment is to be in Tanzania, 38.75 per cent in Uganda and 22.50 per cent in Kenya.

The Community treaty provides for the establishment of several corporations to manage the various common services like ports, railways, posts and telegraphs. The Community is also entrusted with the task of taking measures to promote balanced development. Besides the 'Development Bank', an 'East African Industrial Council' has also been established. The Council has been empowered to grant industrial licences for the manufacture of the

following commodities on the basis of East Africa taken as one unit: cotton yarn; cotton piecegoods other than knitwear; cotton blankets; woollen blankets; woollen piecegoods other than knit wear; fabrics spun or woven from soft fibres (other than fibre derived from cotton); steel drums of 5 to 60 gallon capacity; glassware of all types (whether plain or moulded excluding sheet or window glass); metal window frames; metal doors; metal door frames (manufactured as single or composite units) and any metal fittings for such window frames, doors or door frames.^{1/}

So far the licensing policy has not been very effective. Licences are refused to certain parties on the ground that they are issued to some others. Yet no effective steps are taken to check whether these parties did produce the goods in question within one year as they are obliged to under the licencing rules and there is a need to implement the licensing policy effectively to avoid a waste of resources that a competitive setting up of units would entail.

^{1/} 'A Short Guide to Investors': Ministry of Commerce and Industries, Govt. of Tanzania.

Then the problem is whether the industry can stand external competition. If it cannot, there may be need for the imposition of a variety of import restrictions. Prima facie by the member country which has this manufacturing unit in its territory may not object to this. But this measure harms consumers, and there is a stiff resistance from the other two countries against any import restrictions.

Import Substitution

As mentioned earlier, the programme of industrialisation is based on import substitution. For any particular product the import data can be used as a measure of the domestic demand. Priority "automatically goes to the setting up of essential consumer goods industries".^{1/}

There are several ways of promoting or retarding the growth of industries in any sector. Import licensing, tariffs and exchange controls can profoundly influence the growth or retardation of industries wherever as they depend on imports for their inputs. The nature of the instruments of the import policy is explained below.

^{1/} Mr. Priyatosh Maitra - 'Import Substitution Potential in East Africa'.

Import Restrictions

None of the East African countries has experienced a serious problem of a balance of payments. So there is no sincere effort to restrict imports except where substitution industries have been set up.

However, in all cases, where domestic manufacture is planned, protective measures are taken to avoid what is termed excessive competition. If there is a suspicion of dumping, there are anti-dumping duties to protect local manufacture. The import of cheaper items are banned as they can be manufactured locally.

The procedure for the importation of the various types of goods differs. For a variety of commodities no specific import licence is required as they are under an open general licence.^{1/} Imports from the partner countries are regulated by the Treaty for East African Cooperation. Except for specified restrictions, as in the case of agricultural products, goods can move freely within the Community, subject to transfer tax as provided for in the treaty.

^{1/} The list of broad categories of goods, the import of which is subject to import licensing requirement is given in Appendix 5.

In all cases, where a specific import licence is required (Appendix 7), application must be made to the Import Controller in quadruplicate.^{1/} The application must clearly describe the goods, the price per unit, the country of origin and consignment as well as the port of disembarkation. This licence is valid for the period mentioned on it and the import controller may extend it on application. Exchange is automatically provided once the licence is granted. Certain commodities cannot be imported except by the State Trading organisations.^{2/}

There are certain products which can not be imported except from the partner countries. These are generally the commodities on which local production has been started. In some cases, in order to protect local manufacture from external competition a restriction is enforced on the value of the products.

^{1/} The form is simple. Tanzanian form is reproduced as a sample in Appendix 8.

^{2/} The commodities, whose imports are routed through the State Trading Corporations in East Africa are listed in Appendix 5.

Tariff Structure

Import duties are the same in all the three countries; exceptions are few.^{1/} In addition to the normal import duties, there are suspended duties on certain commodities. Where there is dumping, anti-dumping duties are levied. Aluminium hollow-ware and steel karais from India and mineral dyed khaki drill from Pakistan are subject to anti-dumping duties. Imports for the use of the Government, the Community and some of the approved public bodies are allowed duty - free.

The following is a summary account of the tariff structure.^{2/} To start with, there are large groups of commodities which are, by and large, imported duty free. They include precious metals, unwrought copper and aluminium, iron and steel and articles thereof; hides and skins,

^{1/} In Uganda, there is also sales tax in addition to import duty.

^{2/} There may be many exceptions under any head. Only a broad account is attempted. Those interested in specific rates will find some of them in the commodity notes in the Chapter 7. For details 'East African Customs and Excise Tariffs' October 1968 of the East African Community may be consulted. However, duties according to broad groups are given in Appendix 7.

raw rubber, fertilizers, tanning extracts, miscellaneous chemical products, mineral products and pharmaceuticals. They also include articles of stone, cement and asbestos cork; small tools; machinery and its parts for agricultural and industrial uses; railway equipment and printed books and papers.

In the above list, certain products which are locally manufactured are subject to duty and the most important of the group is iron and steel bars and rods, angles, shapes and sections, hoops, strips, sheets and plates.

Certain products which carry a duty of 15 per cent but the most important group of the manufactured goods is subject to a duty of 30 per cent. They include: chemicals, photographic and cinematographic goods, rubber products, wood and articles of wood; paper-making materials; yarns of silk and man-made fibres, wool and cotton; articles of stone, cement and asbestos for domestic use; glassware; articles of copper and aluminium; domestic electrical equipment; office equipment; clocks and watches; handtools for domestic use and miscellaneous manufactured products.

The group of commodities, subject to the duty of $33\frac{1}{2}$ per cent to $37\frac{1}{2}$ per cent are as follows: Leather and articles of leather; articles of paper and paper-board, buildingware; sanitaryware and certain domestic electrical appliances.

A duty of 45 per cent is charged on woven fabrics and made-up articles of textiles. Most food preparations are subject to a duty of 50 per cent. In the case of beverages, the rate goes up to $66\frac{2}{3}$ per cent. Cosmetics, toilet preparations and essential oils are charged a duty of 70 per cent. In the case of motor vehicles the duties range from 20 to 80 per cent.

On the whole, duties are geared to encourage local manufacture by allowing duty-free entry of the materials and machines, while discouraging the import of luxury articles.

Exchange Control

There are no exchange control regulations within the Community. Funds can be freely transferred amongst the three countries. In this framework, there is a need

to follow a similar regulation in all the three countries. The East African Treaty for Cooperation and Governors of the central banks meet at least four times a year discuss the harmonization of their monetary policies. The East African currencies are convertible at par, in any of the three countries without any exchange commission.

Exchange control exists primarily to control the export of capital outside the Community countries. Current payments can be made even outside East Africa, if their authenticity is established. There may be some border line cases where disputes are likely. But in the implementation of regulations, central banks have been quite liberal.^{1/}

Current payments are subject to minimum delay. As travelling expenses of 5,000 shs. are allowed per head per year as a basic allowance, more or less automatically.^{2/} In special cases, the exchange control authorities permit higher allowances. Advance payments for imports are not

^{1/} Treaty for East African Cooperation enumerates the various types of current account payments.

^{2/} If only a one-way ticket is held the allowance is halved in Kenya.

generally given. However, exchange control authorities permit partial advance payment in the case of imports of capital goods, provided the goods are ordered to special specifications. Exchange is available automatically if an import licence is issued.

As the purpose of the exchange control is to stop capital outflow, it is important to note the conditions under which capital export is allowed. An emigrant is given 100,000 shillings (East African) per family from his declared ~~assets~~ ^{1/} in his new country of residence. The rest of the assets are kept in blocked accounts (which sum can be invested in approved securities) for a period of five years and then will be authorised for transfer to the country of the emigrant concerned. Annual transfers to the extent of 40,000 shillings are permitted in the sterling area.

Foreign investors are generally required to bring a reasonable share of the capital to start any industry.

^{1/} While a major exodus from Kenya is in the offing, the exchange control regulations have been changed by reducing the setting in allowance to half.

They are allowed to borrow only the working capital from the banks. Under the existing exchange control regulations, borrowings by foreign-controlled firms from the banks requires the approval of the exchange control authorities. Foreign investors who bring their capital and invest in industries are granted a repatriation concession under the terms of the Foreign Investment Protection Act (s) of the respective Governments. A Foreign investor who has acquired the 'approved status' can repatriate his capital, profits, interest and dividends freely. This does not however, apply to portfolio investment. Expatriate employees are allowed to repatriate one half of their gross earnings.

Continuous efforts are being made to expand in markets for the commodities of the Community countries. Neighbouring countries like Zambia, Ethiopia, Somali Republic and Congo (Kinhasa) have applied for membership in the Community and this is being considered. Efforts are made by the community to gain a foothold in the West European markets by establishing an association with the E.E.C. Though there are some restrictions on the export of unroasted coffee, cloves and tinned pineapple, customs duties and other charges are eliminated by the E.E.C.

countries for commodities originating in East Africa. In return, East African countries have agreed to give a favoured nation treatment to the member countries of the E.E.C. and have agreed to abolish custom duties for a variety of goods.^{1/}

The three countries have trade agreements with several communist countries.^{2/} Tanzania and Uganda have trade agreements with India and a trade agreement with Kenya is under consideration.

As the East African countries are still under-developed, there is a great shortage of capital. The imports of various goods can be facilitated by the help of credit from abroad. A country which is in a position to offer them good credit terms is likely to find favour with the importers in East Africa. Though India has its

^{1/} Reduction in duty varying between 2 to 9 per cent has been agreed upon. This will certainly influence Indian exports where India has to compete with the E.E.C. countries. How much the margin is tilted against India will be noted in Chapter VI.

^{2/} The list of countries, with whom East African Community countries have trade agreements is given in Appendix 9.

own problems of capital shortage, she must be prepared to sell her machinery on credit terms. As a matter of fact, India, being a new comer, should offer better terms than her competitors so that she can get into the market.

In conclusion, it must be said the foreign trade policy is both liberal and the development oriented. A worsening of the position of the balance of payments however, could well make the policy more restrictive.

Chapter 4

REVIEW AND PROSPECTS OF TRADE

Both exports and imports have increased during the last ten years (1957-67)^{1/}. Imports rose from 392 million to 597 million, while exports grew from 312 million to 553 million.

Exports

The striking feature of the export trade of the East African countries is their reliance on three or four commodities for a substantial portion of their export earnings. Though the importance of certain commodities has changed in the course of the last few years, the export base has not really widened. In the following table the export structure of the three countries is summarised.

Structure of Exports

<u>Country</u>	<u>Commodities</u>	<u>% Share in Exports</u>	
		<u>1958</u>	<u>1967</u>
Kenya	1. Coffee (not roasted)	35.5	29.3
	2. Tea	11.0	13.8
	3. Sisal fibre & tow	7.6	3.9
	Total	54.1	47.0

^{1/} Foreign trade statistics are given in Tables 3 to 6.

<u>Country</u>	<u>Commodities</u>	<u>% Share in Exports</u>	
		<u>1959</u>	<u>1967</u>
Uganda	1. Coffee not roasted	44.4	53.5
	2. Raw cotton	36.7	23.7
	Total	<u>81.1</u>	<u>77.2</u>
		<u>1961</u>	<u>1967</u>
Tanzania	1. Sisal	28.8	12.9
	2. Cotton raw	13.9	16.2
	3. Coffee unroasted	13.9	15.4
	4. Diamonds	11.9	14.3
	Total	<u>68.5</u>	<u>58.8</u>

The above table brings out the extreme narrowness of the export base of Uganda. The export base of Tanzania and Kenya is a little wider, apart from these basic exports, that of petroleum products from Kenya has shown promise and now accounts for 13.4 per cent of the export earnings.^{1/}

Tanzania also has increased her exports in the recent years. Petroleum products and diamonds and cashewnuts are important exports. Uganda's exports being animal feed and unwrought copper.

^{1/} It may be added that the export of petroleum products entails substantial imports of crude.

The main customers of the East African countries are the United Kingdom, United States and Western Germany. As an importer of raw cotton,^{1/} India is important to both Uganda and Tanzania.

Imports

East African imports have been increasing in the last few years (Table 3). By 1967 the total value of imports had gone up to \$ 597 million from \$ 340 million in 1958. This represents a compound rate growth of 5.8 per cent.

During this period (1958-67) not only have imports increased but there has also been a change in the structure of imports (Table 5). Imports of machinery and transport equipment, manufactured goods, chemicals and crude materials has gone up sharply in all three countries. Imports of other categories have increased but at a slower rate or held steady, and thus their relative importance has declined.^{2/}

U.K. still remains the single most important supplier to all these countries though its

^{1/} See Table 4, 'Direction of Exports'.

^{2/} The statement is true for East African imports: variations may be found in the case of individual countries.

relative importance has gone down. The United States, Western Germany and Italy have all gained substantively in the past 10 years. Together with the U.K., they account for over half of the imports of each country. Japan has lost ground also because of the restrictions on her goods and India for reasons explained in the next Chapter.

Balance of Trade

During the decade 1958-1967 it was only in 1963 and 1964, that East African external trade accounts had shown surplus (Table 3). The accounts for 1959, 1960 and 1965 by and large were balanced. In other years there were deficits, but never more than \$ 50 million in any year. Thus, the balance of trade of East Africa was never very weak during the past ten years. But the position held by the individual countries differed throughout the period. Uganda and Tanzania had favourable balances while Kenya had a deficit. There are difficulties in determining precisely the balance of trade of any particular country. The imports of the Community are lumped together with the

Government imports and it is difficult to disentangle them. Thus Kenya's imports are inflated whenever the Community imports goods for its use.^{1/} Uganda's exports are over-estimated and imports underestimated as they are valued at Mombasa, which is at least 600 miles away from Uganda. If allowance is made for these factors, Kenya's deficit as well as Uganda's surplus will be smaller.

In the intra-territorial trade, Kenya has had a continuous surplus vis-a-vis the partner countries. If this fact is taken into account, Kenya's deficit as well as the surplus held by Uganda and Tanzania will decline.

An examination of the trade accounts reveals that there has been a rising deficit on the balance of trade since 1966. During the first eight months of 1968, there was a deficit of \$ 51 million, which is likely to increase with the progress of industrialisation. Export earnings being uncertain due to considerable price fluctuations,

the East African balance of trade may continue to be deficit in the coming years.

^{1/} Tanzania's imports are inflated whenever its ports are used for imports of the Community.

Balance of Payments

There has been an overall surplus on the balance of payment account because of the inflow of foreign capital (Table 7). Among the invisibles, freight, insurance and transport have always brought some surplus payment. In 1967, there was net receipt of \$ 22 million from tourist trade as against nothing in 1965 and minus figures in earlier years. In future, with the encouragement given to tourism, the income from this source is expected to rise considerably.

Transfer receipts have been dwindling. Transfer payment on private account has lost its importance due to the exchange control regulations. But because of the liberal exchange regulations for approved enterprises, repatriation of dividend income is on the increase. The deficit in this one item is large enough to eat away the surplus generated on the other components of the invisibles. Thus, the invisibles have been showing a deficit throughout the last few years. With increasing foreign investment in East Africa, the payments on account of dividends are likely to rise. Thus in the coming years, the invisibles will also show a deficit. So a deficit on the current account is a certainty.

On the capital account, data are not published by two of the three countries. The data obtained from the East African Statistical Department show that excepting in the years 1963 and 1964, there has always been a net inflow of capital. During these two years, there was a major private capital outflow leading to the extension of exchange control restrictions, to the sterling area.

The estimated average annual foreign financing required by East Africa is around \$ 66 million. Discussions with the various Government officials indicate that the foreign exchange component has not been a serious constraint on the development plans. The average capital inflow during the last three years was more than what was estimated.

Since she became independent Tanzania has been able to use only \$ 91.4 million out of the promised \$ 176.6 million. The terms of the loans were quite liberal. Many loans carry an interest of 3 per cent or less, and the repayment period extends up to 30 years.

The total aid on offer to Uganda Government upto 1968 was \$ 120 million. But out of this \$ 35.5 million could not be committed to any projects because of the

insufficient ground work done.

Out of the foreign loans received, Kenya gets the major portion. The Central Government receipts from foreign capital were around \$ 44 million until 1968.

The projected receipts for 1969, 1970 and 1971 are a little lower than the actuals of 1967 and 1968.

In conclusion it may be said that the strength of the balance of payments depends mainly upon the net capital inflow. Because of the uncertainty faced by Asians, there is still some unofficial transfer of capital. But for the restrictions, East Africa could have been subjected to the troubles caused by the balance of payments. This problem - a transitory one - need not be exaggerated. All the major European countries with the possible exception of France are coming forward to invest in East Africa. So long as this continues there is no likelihood of there being any problem in this direction.

Chapter 5

TRADE WITH INDIA - PAST TRENDS AND PROBLEMS

India and East Africa have long established trade relations. India has been exporting food products, textiles and other consumer items and importing mainly cotton and cashew. However, not only has India's share declined gradually but the overall trade has also shrunk.

India has a locational advantage compared to its main competitors from West Europe. This advantage has been further strengthened with the closure of the Suez Canal. While a ship from Bombay reaches Mombasa in 8/10 days and Dar-es-Salaam in 10/12 days the time taken from West Europe is not less than four weeks. The general cargo freight rate from India, at \$ 16.40 is about 40 per cent of the freight from the U.K. There are a number of import houses of Indian origin (except in the trade of machinery) and there are Indian industrialists too. In spite of these favourable factors, India's share in East Africa's total imports has declined from 5 per cent in 1961 to

3 per cent in 1968 (Table 9). It is clear from the following explanations that this has happened mainly because of the changing structure of the East African imports from items like finished textiles to industrial raw materials and components, spare parts and the items of machinery. The real problem is, how to diversify India's exports and increase its share. The following pages show the trends of these import changes in E. Africa and some of the major problems arising out of such changes. These have been further discussed in the next three chapters in detail.

Balance of Trade

India's exports to this region was static at about \$ 19 million during 1961-63; it increased during 1964-66 reaching a level of \$ 25 million in 1965 but again declined steeply in 1967 to \$ 17 million (Table 8). In 1968, there was some recovery and exports were estimated at \$ 19 million. Along with the fall in India's exports, imports into India from this region also declined, mainly due to the

reduction in the import of cotton from Uganda. Except in the years 1963 and 1964 the trade balance has been unfavourable to India. The position can be summarised as follows:^{1/}

INDIA'S TRADE WITH EAST AFRICA

(Million \$)

Year	India's Exports	India's Imports	Balance of Trade (2-3)
1	2	3	4
1961	19.1	29.8	-10.7
1962	17.9	25.8	- 7.9
1963	19.3	17.4	+ 1.9
1964	20.6	19.0	+ 1.6
1965	21.1	26.9	- 5.8
1966	24.7	25.2	- 0.5
1967	17.4	25.7	- 8.3
1968 ^{2/}	19.0	28.0	- 6.2

^{1/} Countrywise position is given in Table 8.

^{2/} Estimated on the basis of June-Aug. 1968 data.

India's trade balance with Kenya is favourable and with Tanzania and Uganda it is the reverse.

Exports from India

Since 1961, India's exports to East Africa have remained static. This has reduced the India's share in the total East African imports from 5 per cent to under 3 per cent, as the following table shows:^{1/}

INDIA'S SHARE IN EAST AFRICAN IMPORTS

(Million \$)

Year	Total Imports	Imports from India	India's share %
1961	378	19.1	5.1
1962	370	18.0	4.7
1963	406	19.3	4.8
1964	429	20.6	4.7
1965	503	21.1	4.2
1966	612	24.7	4.0
1967	596	17.4	2.9
1968 (Estimated)	651	18.9	2.9

^{1/} Countrywise details are given in Table 9.

Imports from India to Kenya declined sharply from \$ 11.2 million in 1961 to \$ 6.1 million in 1965. Thereafter, there was an improvement, the imports reaching a level of \$ 8 million in 1967. There has been a change in the structure of Kenya's imports, particularly a fall in the import of textiles, and textiles have all along been a main item of India's export to this region. In 1961-62 India exported cotton and jute textiles worth \$ 8.4 million to Kenya and this fell to \$ 1.7 million in 1967-68. (Table 11). Thus, in this one item, the loss was \$ 6.7 million and this loss could not be made good by the expansion of exports of other items.

Imports from India to Uganda rose from \$ 1.55 million in 1961-62 to \$ 1.88 million in 1967-68 due to fairly steady imports of textiles.

In Tanzania, imports from India in 1967-68 were very different from what it was in 1961-62 but the peak was reached in 1965-66 - \$ 9 million. This was due to a rise in the export of cotton textiles and jute manufactures in that year. During 1965-66 to 1967-68, India's export of cotton textiles declined

by \$ 3 million to \$ 2.5 million. Export of jute goods have also fallen by half.

Composition of India's Exports

The composition of India's export to East Africa is shown in Table 11. Though in the last three years there has been a steep fall in the export of jute and cotton textiles from India, they still remain the most important items of export. Next to textiles, iron and steel, and machinery are important. The position is summarised below:

INDIA'S EXPORTS TO EAST AFRICA 1967-68

	Value Million \$	Percentage
1. Cotton textiles	4.42	28.8
2. Jute textiles	2.15	14.0
3. Other textiles	0.45	2.9
Total textiles	7.02	45.7
4. Electric machinery	1.43	9.3
5. Iron & steel	1.27	8.3
6. Developed cinema films	0.55	3.6
7. Manufacture of metals	0.73	4.7
8. Paper	0.53	3.4
9. Transport equipment	0.43	2.8
10. All others	3.41	22.2
TOTAL	<u>15.37</u>	<u>100.0</u>

Amongst the imports from India into these countries, textiles have been a contracting item. Other products like spices, cereal preparations, food preparations (pickles, jams, 'papad', etc.), perfumery and cosmetics, toiletries, developed cinema films and printed material are very vulnerable. These imports though accounting for \$ 1.1 million are largely for consumption by the Asians and may fall with the decline in their population. Besides textiles, import of some other items like onions, cocoa, tobacco manufactures and leather manufactures may also fall because of the import substitution. Thus, out of the current imports from India items such as machinery, iron and steel, metal products and transport equipment have the principal growth potential. .

Imports into India

East African exports are mainly commodities which India also exports or such items which India does not need. Though East African exports have increased, India's imports into the countries have not kept pace. This has reduced India's share in their exports from 8 per cent in 1961 to 4 per cent in 1968 (Table 10).

Two items, namely cashew and raw cotton, account for the bulk of the imports (Table 11). In 1967-68 out of the total import of \$ 30 million by India from these three countries, cashew accounted for 50 per cent (\$ 15 million) and cotton 35 per cent (\$ 11 million). The only other items of some significance are wattle bark and extracts (6 per cent), cloves (2 per cent) and precious stones (2 per cent). These five items account for 95 per cent of India's total imports from this region. India is importing all the available raw cashew and, therefore, the question of further expansion does not arise till these countries are in a position to offer more. Uganda desires that India should import more cotton from there because Uganda gets a better price in India for its cotton as it is preferred by the Indian mills. However, it may be difficult for India to do so because of her other commitments with UAR and Sudan and the import of PL 480 cotton from U.S.A. If Uganda agrees to buy additional Indian goods against additional purchase of cotton it may be worth negotiating. It may be possible to buy more copper and diamonds from Tanzania but these are not on offer because of commitments with other

countries. India, however, cannot buy Tanzania's major export items like coffee, tea, pyrethrum and sisal because either India herself exports them or does not need them. India is importing cloves from Tanzania and copra from Kenya valued at \$ 1 million and both these are in short supply in India. They appear to be the only other items where it may be possible to expand imports by India marginally.

Bilateral Trade Agreements

India has bilateral trade agreements with Uganda and Tanzania where the commodities are listed. There is no agreement with Kenya but efforts are being made to have a similar agreement with that country too. These agreements are without payment agreements and they have not helped the growth of exports. The countries of this region, it seems, do not like to enter into payment agreements except with socialist countries and the possibility of any such deal with India is remote. The pattern of trade between the two regions and adverse balance of payment for India are not conducive for the East African countries to enter into such agreements. They are getting free

foreign exchange for surplus exports to India and would not like to have such agreements unless they can expand their exports to us. The nature of commodities they are prepared to offer makes this difficult. Therefore, India should try and increase her exports to this region on a commercial basis, producing quality goods at cheap prices, coupled with good pre-sale and after sales service.

PART THREE

TRADE PROSPECTS FOR INDIA

EXPORT PROSPECTS OF INDIVIDUAL COMMODITIES

For detailed investigation, 18 commodities are selected for study on the basis of their importance among India's exports and/or their importance in the East African imports. The selected commodities are textiles of cotton, synthetic, and jute; iron and steel; tea; machine tools; electrical machinery and appliances, especially cables, transformers, switch-gears, aluminium conductors, transmission towers; rubber tyres and tubes; bicycles and bicycle parts; diesel engines; spices; industrial machinery; small hand tools; medicines and pharmaceuticals; dyes; industrial chemicals; aluminium; paper; and automobile accessories.

In 1967, out of the total exports from India, the selected commodities accounted for U.S. \$ 12.8 million or 74 per cent. Rice and salt are the other two important items of export from India and this is done through the State Trading Corporation. The STC of India has already been negotiating for the entire requirement of salt of Uganda.

Textiles

Textiles are most important because they account for the largest percentage of India's exports to East Africa. In 1967 cotton, jute and other textiles formed 45.5 per cent of the total imports from India. The details are given below:

	Kenya		Uganda		Tanzania		East Africa	
	1966	1967	1966	1967	1966	1967	1966	1967
Total imports from India (Million US \$)	9.8	8.9	5.5	2.8	9.3	5.6	24.6	17.3
Percentage share of textiles	45.1	27.9	64.9	53.1	76.9	69.3	57.0	45.5
Imports of textiles from India (value Million US \$)	4.4	2.5	3.6	1.5	7.2	3.9	14.1	7.9
1) Cotton (Million US \$)	2.4	1.1	0.8	0.5	4.9	2.8	8.1	4.5
2) Jute ('000 US \$)	890	938	2099	795	1188	840	3077	2568
3) Synthetic ('000 US \$)	595	67	573	163	744	128	1912	358
4) Yarn and thread ('000 US \$)	527	276	33	53	335	45	895	374
5) Clothing ('000 US \$)	17	61	14	3	46	51	77	114

As mentioned earlier textiles are items of native because of the protected policy in East Africa. Indian prices are also not competitive compared to that of the other countries. India will have to think of exporting textile inputs and other items connected with.

Cotton Yarn and Thread

Present Demand: Cotton yarn and thread are required mainly for sewing and hosiery knitting. There is very bulk demand for weaving as there are hardly any powerloom or hand loom industries. The demand for fishing nets is also small because of the use of synthetic yarn. For sewing purposes thread in higher counts (40's, 60's and above) in bleach are needed. For hosiery all counts above 20's, especially greys, are required. There is some competition between cotton and synthetic yarn in the higher counts in this respect.

Production data on yarn is not available. On the basis of imports along, it is not possible to give any estimate of the apparent consumption.

Future Demand: Demand should expand much faster than in the past. The hosiery industry is just developing and hence there are large import. All the three countries

of the community are trying to develop a hosiery industry by imposing 45 per cent import duty on it along with a minimum specific duty. The readymade garments industry (which uses sewing thread) is also of recent origin. Under a protective policy, the production of garments is rising; this will lead to a greater demand for sewing thread. Handloom and powerloom industries are also likely to develop. This being so by 1975 demand may double.

As incomes are rising it is likely that there will be a change in favour of using higher count yarn for the hosiery industry.

Supply: In East Africa, yarn up to 36 counts is manufactured. A few mills have the capacity to go upto the 40's but because of the low demand they are not doing so. All the yarn is produced by the composite mills; as there are no separate spinning mills.

No data on capacity and production are available In Uganda sh. 1.2 million worth yarn was sold from local production in 1966;^{1/} no information is available

^{1/}Statistical Division - Ministry of Planning & Economic Development May 1968 - Survey of Industrial Production 1965 and 1966.

from the other two countries.

Imports: Imports of cotton yarn are given in the following statement, from which it can be seen that imports were on the increase upto 1966. In 1967, there was a sudden drop. Tanzania's import fell in that year due mainly to the development of local capacity and the large imports in 1966. In future, imports may be only of very high counts, above 36's, which are not produced locally. Tanzania is interested in producing higher than counts 40. If it does so, imports may decline further:

Imports - Cotton Yarn and Thread

(Quantity million
lbs.)

(Value '000 US \$)

Year	' Kenya		' Uganda		' Tanzania		' East Africa	
	'Qty.	Value'	Qty.	Value'	Qty.	Value'	Qty.	Value
1962	0.52	483	0.08	129	0.83	472	1.43	1084
1963	0.88	840	0.21	286	1.19	727	2.28	1853
1964	0.52	461	0.22	288	1.80	817	2.54	1566
1965	0.94	801	0.31	392	2.49	1301	3.34	2494
1966	2.00	1056	0.31	368	3.18	1561	5.49	2985
1967	1.3	787	0.35	352	1.07	654	2.72	1793

Source : East African Customs - Annual Trade Reports

The details of the imports of various counts could not be obtained. The available data show that, except in Tanzania, bleached yarn predominates:

Imports of Yarn in 1967

(Quantity in million
lbs.)

	<u>Grey</u>	<u>Bleached</u>
Kenya	4.2	8.8
Tanzania	7.6	3.1
Uganda	Nil	3.4

India is an important supplier as can be seen from the following data:

East African Imports

('000 U.S. \$)

	<u>1965</u>	<u>1966</u>	<u>1967</u>
Total	2,494	2,985	1,793
Imports from India	369	808	348
India's share (%)	15	27	19

U.K., Israel and Pakistan are the major competitors. Sometimes there is competition with East Europe too. In 1967 India's share had fallen because of the uncompetitive price.

Cotton yarn is subject to a 30 per cent import duty;

there is no other restriction on imports. The trade is mainly in the hands of Asians. Hosiery and garment factories often import the yarn directly through the indenting agents. The CIF prices could not be obtained, but according to some importers Indian prices are often 5-10 per cent higher than the rest. The finishing and packing also need improvement. Advertising does not play any part.

Suggestions for Increasing Exports: India had a share of 27 per cent in 1967. India's prices of unbleached yarn and sewing thread are competitive. But the Indian prices of bleached yarn are 5-10 per cent higher than those of the other suppliers. If prices are brought down below that of Israel, Pakistan and U.K., it may be possible for India to sell more. Direct contact with garment manufacturers and long term arrangements for sales will also help in developing the export of sewing thread. Similarly, sales of hosiery yarn can go up if direct contacts are made with the hosiery factories. A grant of 90 days credit, improvement of the finish and the supply of yarn in cones and better packing (to avoid spoilage of the shape of bundles) will also help in increasing the sales.

However, prospects may not be quite bright because of the contraction of the total imports.

Yarn and Thread of Synthetics

Present Demand: Synthetic yarn is required mainly for the manufacture of rayon cloth for which there are three factories (one in each country). There are some powerloom units too. There is a gradual change in favour of nylon and other synthetic yarn for the manufacture of fabrics for woven and for nylon hosiery. The demand for synthetic thread is very small and it is for 20's and 30's single and 40's and 60's double.

In Kenya there is one yarn manufacturing factory; production data is not available. Hence it is not possible to estimate the requirements. In Tanzania the present demand may be estimated around 25,000 lbs. and in Uganda 10-12 thousand lbs. per year. ^{1/}

Future Demand: Discussions with the manufacturers and textile dealers indicate that for ladies' dress material

^{1/} This estimate is based on import data and discussion with the traders.

the demand is changing in favour of rayon because its price is not very different from that of cotton textiles. For men's and children's wear nylon has become popular. At present the need is met by imports. But the existing rayon mills plan to expand. Both Tanzania and Uganda would like to produce nylon textiles. This is already being done in Kenya. In order to help the weaving industry there is an import duty of 45 per cent with a minimum specific duty of Sh. 1-60 (US \$ 0.22) per yard on all fabrics. There are other incentives too, for the development of the industry.

There is an increasing demand for synthetic knitted garments which will be produced locally soon. This will mean that more synthetic yarn will be required.

Supply: As mentioned earlier, except in Kenya there is no local production of synthetic yarn. There is a plan to import the fibre and spin locally in the future. With a view to pursuing this policy, the imports of yarn is subject to 30% only while the import of fibre is free of duty. Lack of adequate demand justifies an economically sized spinning unit and lack of knowhow

and capital are factors withholding the development of the spinning industry both in Uganda and Tanzania. In future, some of those cotton mills which have plans to produce higher count cotton yarn may also produce synthetic yarn. Thus, in spite of the rapid rise in demand, imports may fall even if the one unit for spinning is established. Therefore, the future of imports is uncertain.

Imports into the three countries are given in the following table:

Imports of Yarn of Synthetic & Artificial Fibres

(Qty '000 lbs.)
(Value U.S.\$)

Year	Kenya		Uganda		Tanzania		East Africa	
	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
1962	1,551	653	-	1,360	1,360	512	2,911	1,165
1963	2,029	828	9	10	1,910	675	3,948	1,513
1964	2,612	990	89	92	2,470	930	5,972	1,912
1965	1,306	580	222	225	2,790	1,041	4,312	1,846
1966	1,600	890	1,060	640	2,650	989	5,310	2,519
1967	1,315	713	782	507	2,010	732	4,108	1,952

Source: East African Customs - Annual Trade & Revenue Reports.

It will be observed from the above table that imports into Kenya have declined after 1964. In Tanzania there has been a steep fall in 1966-67 compared to that of 1965 - this is largely due to local production.

India's share in 1967 in the imports to Uganda and Tanzania was nil and to Kenya it was 3.5 per cent. In 1966 India's position improved.

India's share in import of Synthetic Yarn

(Value '000 US \$)

		Total Imports	Imports from India	India's share (%)
Kenya	1965	580	4	0.69
	1966	890	39	4.38
	1967	713	25	3.51
Uganda	1965	225	Neg.	-
	1966	640	1	0.16
	1967	507	1	Neg.
Tanzania	1965	1041	16	1.54
	1966	989	47	4.75
	1967	732	Neg.	-

Source: East African Customs - Annual Trade Reports

Japan is the biggest supplier; India was able to export because of certain restrictions on the imports from Japan but these have now been relaxed. China, U.K.,

Farmosa and Malaysia are other suppliers.

The CIF price for the 20's single offered by India at 47 d.a. pound is 42 per cent higher than the 33 d, quoted by Farmosa.

Prospects

The major problem is the price. Unless India's price is brought on a par with the other suppliers, India has apparently no prospects. There are, however, other factors which can help the Indian exports, if the price is matched. There is need for direct and continuous touch with the following fabric manufacturers:

1. Kenya Rayon Mills,
Mombasa.
2. Tanganyika Textile Industries Ltd.,
Dar-es-Salaam.
3. Uganda Rayon Manufacturers Ltd.,
Kampala.

Direct contacts with hosiery manufacturers are also essential.

If exporters can help in solving problems of dyeing and weaving which the manufacturers face, it may go a long way in boosting the exports of yarn.

There is a great shortage of technical knowledge and those suppliers who provide these services are preferred even if their prices are a little higher.

The granting of credit up to 180 days and the assurance that the supplies will be regular plus the improvement of packing to reduce the spoilage of yarn, will increase India's exports. Long-term contract with the mills to supply them yarn at regular intervals will be an additional because some mills prefer long-term arrangements.

Fabrics

Demand: East Africa is a region with a population of 29 million. Among the various tribes in the interior, clothes are of little value and, therefore, the total and per capita demand of cloth is low, as can be seen from the following data:

Consumption of Cotton and Manmade Fabrics in 1967

	Total Million Yards			Per Capita Yards		
	Total Cotton	'Man- 'made	Total	'Cotton	'Man- 'made	Total
Kenya	33.3	13.1	46.4	3.36	1.33	4.69
Tanzania	44.7	11.7	56.4	3.58	1.04	4.62
Uganda	28.1	18.2	46.3	3.56	2.29	5.82

Note : Estimated on the basis of production, import and inter-territorial transfers.

It can be seen from the above table that the ratio of the manmade cotton fabric in Uganda, is much higher than in the other two countries, probably because more cloth is used by the women of Uganda in their conventional dress.

It is not possible to estimate accurately the demand for various types of cotton or manmade fabrics without a detailed survey. Available data and discussions with the trade and Government indicate that most of the demand is for low counts upto 20's. grey (36" width), sheetings and poplin in bright red, black and yellow. The account roughly for four-fifths of the demand. The other things required are bedsheets, towels, and fine and super fine cloth by Asians, Europeans and the high income group Africans. Rayon fabrics in the 20 counts also found a market.

Future Demands: There are a number of factors which indicate a rise in the demand for the various types of fabrics. The rise in population is 3 per cent per annum. According to the plans income is expected to rise between 5-7 per cent per annum. The present per capita consumption is far below the world standard. This

means increase in their requirements and it will not be a surprise that if by 1975 the demand doubles, especially if the prices are kept in check.

There is a distinct preference for manmade and blended fabrics, especially in the urban areas. With the rise in income and further urbanisation, the ratio of synthetics to cotton may further rise.

Supplies : East Africa is rich in cotton which is one of its important exports. Therefore, there is an incentive to develop a textile industry locally. At present there are 18 textile units in the region, see Appendix 9. Some of them are still in the construction stage. No data are published by the government on spindles, looms or their capacity. Production data also are lacking. The available data given below show that the production has increased due to the commissioning of some new mills.

Cloth Production

(Million square yards)

	1964	1965	1966	1967	Jan-June 1968
Kenya	N.A.	N.A.	N.A.	7.29	10.7
Tanzania	8.9	12.1	17.1	17.4	12.2
Uganda	N.A.	.3	.5	27.9	25.8

Sources: 1) Ministry of Commerce & Industry

2) Ministry of Planning & Economic Development -
Uganda, Survey of Industrial Production 1965
and 1966

3) East African Customs:- Annual & Monthly Trade
Reports

Present production is mainly of grev (36" width) sheetings and poplin which are in great demand. However, there are plans to produce grey of wider width for bed-sheets and fabrics of higher counts. The varieties now produced are more than what is required. Hence there is no programme for expansion at the moment, but there are schemes for diversification.

Local industry is expensive and this will be clarified in the explanations give later. The industry is protected with an import duty of 45b per cent with a minimum specific duty of sh. 1.35 a yard on cotton fabrics and sh. 1.60 a yard on manmade fabrics. Imports are

channelised through the STC. There is import licensing too, with a view to help the local manufacturers. Since March 1969 Uganda has banned the imports of most of the varieties of cotton fabrics, as tariff was considered an inadequate protection.

Imports

Imports both of cotton and manmade fabrics have declined steeply because there has been local production (Table 13, 14). This trend will continue; imports of some varieties like grey, sheetings and poplin may decrease considerably in the near future.

India's share in cotton fabric imports is quite good but is declining, due to a fall in the share of bleached printed and 'others'. The details are given in Appendix 23. A summary is given below.

India's Share in Import of Fabrics into East Africa

	<u>Cotton Fabrics</u>			<u>Synthetic Fabrics</u>		
	<u>'1965</u>	<u>'1966</u>	<u>'1967</u>	<u>'1965</u>	<u>'1966</u>	<u>'1967</u>
Total imports (Value million U.S. \$)	31	33	18	17	16	9
India's share (Value million U.S. \$)	9	8	4	0.6	1.9	0.4
India's share(%)	32	25	25	4	12	4

The competitors differ according to the type of fabric, they import. The main competitors are China, Japan and Pakistan. There is some competition from the West and East European countries also.

Grey cloth is the single biggest item of consumption. Its production has been developed locally and has resulted in wasting a large. Uganda and Tanzania have a more than they need though Kenya is still in short supply. Due to no tariff on imports from Uganda and Tanzania into Kenya against 45 per cent with a minimum of Sh. 1.35 a yard duty from other sources, Uganda and Tanzania compete ably in the Kenyan market.

The locally produced 36" width grey cloth sells at Sh. 1.85 a yard. The CIF price in India is Sh. 1 a yard which with the added import duty of 15.35 a yard and the other expenses becomes Sh. 2.50 a yard. Import licences are seldom given. Due to these reasons imports have declined steeply. India has been able to maintain her share at 55 per cent. She has lost exchange worth U.S. \$ 2.2 million because of the local supplies available in the two years (1966-67). In 1969 imports may decline further for widths below 54". Larger widths will be produced in the next 2/3 years and hence their imports

will also dwindle.

Dyed Sheetings is another important item. In this variety this region has become more than self-sufficient. Imports have declined to one half from U.S. \$ 11.3 million in 1965 to U.S. \$ 5.2 million in 1967. India has maintained her one fourth share. The Indian price at Sh. 1.50 a yard is higher than the Chinese price of Sh. 1.25 a yard. Local made sheetings sell at Sh. 2.70 a yard against the landed cost of Sh. 2.85 to Sh. 3.10 a yard. This depends upon the source from which the sheetings arrive. If we include a margin to the wholesaler, the gap in price is higher by another 10 per cent. So there is even chance for the imports to decline further.

Poplins is another import item. It is subject to an import duty of Sh. 1.60 a yard. The industry is trying to get it raised to Sh. 2 per yard. Poplin of 36" width in bright colours (red, yellow, green, blue and black) is favoured.

Locally manufactured popolin of Mulco Textiles (Jinja) is selling around Sh. 3.25 a yard; the wholesale price of nyanza Textiles is Sh. 2.75 a yard. The CIF import price is 18d. a yard for the white and 20 d. a

yard for the coloured variety. The landed cost works out to Sh. 2.95 a yard for white and Sh. 3.10 a yard for the dyed. This is lower than the Mulco but higher than the Nyanza poplin. In future, imports will only be of the superior varieties and the locally produced ones. But their market is very small.

Separate data on imports of poplin are not available. India is losing her share in the import of bleached and dyed cotton fabrics. It may be possible for India to regain her share by quoting the CIF price of 18 d. per yard for white and 20 d. a yard for coloured poplin and by improving their finish. Contacts with garment manufacturers will also help.

Printed Dress Fabrics

The local demand is met adequately by the what is produced by themselves. Therefore, in Tanzania, the State Trading Corporation has been advised not to allow imports. In Uganda imports have been banned. In Kenya also imports are discouraged. Local prints sell at Sh. 3.50 a yard. The C.I.F. price of similar prints from India is Sh. 2.35 a yard but the import duty of Sh. 1.60

a yard and other additional charges make it more expensive than the locally manufactured cloth. The CIF price in China is Sh. 1.50 a yard and is much cheaper than the India price of Sh. 2.35 a yard. India is losing her market and her share has declined 20 per cent in 1965 to 13 per cent in 1967.

Khangas is a printed dress material for the conventional dress of women. It is printed on grey cloth. With the surplus production of grey, local production of Khangas has started. There is also a change in favour of western dress in the cities. Both these have affected imports. In 1967, India's share in Tanzania's imports was 30 per cent. However, from 1968 preference was given to China by the STC for filling the gap between the local supplies and the demand.

Katingas is another printed dress material. It comes specially from Holland with prints on both sides. The CIF price in Holland is 26-27 d. a yard for 46" width. The Chinese price is cheaper at 24-25 d. a yard. India is not able to produce Katingas cloth with prints on both sides. As there is no chance of it being produced locally in the immediate future, they have to depend entirely

on imported material. 10 million yards are required annually. If India can produce the Java prints, the export of this can be developed.

Drills and Twills are in surplus production and there is a price war amongst the producers. It is very likely that imports in 1969 will be of superior varieties only, which is a small fraction of the total demand. The C.I.F. price is Sh. 2.50 a yard.

White Shirting

The demand for cotton shirtings is declining. Blended fibres are becoming popular. The total requirements of the three countries is around one million yards. India is outpriced by USSR. The Japanese price is higher, but the quality is better. The C.I.F. prices are as under:

USSR	10½ d. a yard
India	13 d. a yard
Japan	16 d. a yard

Bed Sheets

Both mill (white and striped) and handwoven bed sheets are popular. The former are purchased by the local people and Europeans, and the handlooms by Asians.

There is little local competition at present. India has a 64 per cent share. In 1967 the imports amounted to 8 million yards. However, since the beginning of 1969 Mulco Textiles (Jinja) has started producing bedsheets but their quality is not good. With the improvement of the local quality, and because of the high protective duty this will be a difficult market.

The bedsheets made by DCM and Calico mills are popular; Bombay Dyeing is considered expensive and so the demand is restricted. The Indian finish and packing is poor. U.K., Japan and China are India's competitors.

India's only competitor in handloom bedsheets is Pakistan. The demand for it, however, is likely to decrease with the exodus of Asians, who are the main consumers.

Towels are needed not only for drying and wiping but also as a wrap for babies. In 1967, 1.4 million sq. yd. of toweling were imported. The largest market is in Kenya. Indian towels have a good name and India's has quite a substantial share of 32 per cent (1967). But India is not catering to the demand in the sophisticated sectors where good quality towels are needed. There is

very good market for good quality towels by the hotels which are on the increase. ^{1/} India's finish cannot compare with that of western Europe. In the ordinary type of towels Israel produces very good designs with soft textures, and there may replace the Indian ones.

There are many sizes, designs and textures in towels that it is not possible to compare prices.

Towels are now being produced locally and soon only the better quality towels will be imported. In Kenya there is a ban on the import of towels below Sh. 4.50 a sq. yard; this is to protect local industry.

Imports of Towels

(Quantity '000 sq. yds)
(Value '000 U.S. \$)

		Kenya		Uganda		Tanzania		East Africa	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
Total	1966	913	420	366	162	484	216	1763	798
Imports	1967	693	311	326	104	448	199	1367	614
India's	1966	435	182	116	50	111	48	662	280
Exports	1967	373	162	44	22	31	14	448	198
% Share	1966	47.6	43.3	31.7	30.8	23.0	22.2	37.5	35.0
of India	1967	53.8	52.1	19.5	21.1	6.9	7.4	32.7	32.2

^{1/} Zorobi Limited, Nairobi is very much interested

Cotton Blankets: are in great demand by the Africans.

Blankets of low and medium grade with a retail price upto Sh. 50 a piece are manufactured locally; only the superior grade is imported. India has a high and rising share; this can be seen from the following data:

Imports of Blankets

	<u>1965</u>	<u>1966</u>	<u>1967</u>
Total Imports (Value '000 US \$)	1,064	762	383
Imports from India (Value '000 U.S. \$)	464	382	220
India's share (%)	44	50	57

Summing Up of Cotton Textiles

With the rise in the local production and the heavy protective duty imports are declining. The next two/three years imports will decrease and by 1975 may be a small fraction of the present quota. Only superior fabrics, bedsheets and towels will continue to be imported for a time. As India supplies mainly grey sheetings, poplines and other coarse cloth, the fall in the imports from India has been faster. India's share has declined from 32 per cent in 1965 to 25 per cent in 1967. Unless our prices are cheaper than these of China, Pakistan and Israel there are no prospects of increasing our imports.

The exodus of Indian traders and the Africanisation policy has also affected Indian exports. In Kenya, import licences are given to Africans only and in the other two countries preference is given to Africans. In 1969 some of the African importers were denied trade licences - this will close some of the established channels. It will benefit India if she cultivates Africans and the STC's from now onwards.

Manmade Fabrics

With the rise in the standard of living, the demand for manmade fabrics is increasing. However, here too, imports are declining with the rise in the local production. In 1967, imports were roughly half of that of 1966. (Appendix 16). India's share in these imports was low - 4 per cent in 1967. Except blended fibres, the import of others, specially rayon fabrics, may decline further due to a rapid rise in local supplies. There are also plans to increase local supplies of nylon. The main items that will continue to be imported are shirtings and suitings and superior quality blended dress material.

Mannmade Shirtings

In synthetic shirting, the major demand is for blended fabrics (65 per cent polyster and 35 per cent cotton). In the absence of separate the import data, it is not possible to estimate the present demand. Discussions with the traders, however, show that the present requirements are as follows:

Estimated Demand for Mannmade Shirtings
(Million sq. yards)

Kenya	1.0
Tanzania	1.5
Uganda	0.75 to 1
	3.25 - 3.5

It is expected that the demand will rise at the rate of 10 - 15 per cent per annum.

Though no separate import data are available, traders and shirt manufacturers are of the opinion that most of the imports are of 'Tatron' from Japan because of its low cost. The lowest CIF price is 34 d. or Rs. 2.50 a yard and maximum 62 d. or Rs. 4.60 a yard. The price of Terycot in India (above Rs. 10 a yard) is not popular as it is too expensive.

Manmade Suitings

Synthetic suitings specially 'Trivera' from West Germany (65 per cent Trivera + 35 per cent wool) are popular. Polyester and viscose mixtures are also sold because they are cheap.

There is no local production but import data are not available. Therefore, it is not possible to estimate the need accurately. The traders say that the present demand may be over 3 million yards. Imports from India are negligible.

Indenting agents and some other importers have contacts in India. They have found Indian terene, cotton-terene and terywool acceptable as regards their colour and design for suitings. The lowest price is that of Japan, around Sh. 10 a yard. Indian terycot can sell at this price. One leading export house, exported some quantity to Tanzania in 1968. It is alleged that there was no uniformity in colour and that the durability was poor; perhaps that batch was produced by a less known mill in India.

The Indian pure 'terene' or 'terene' mixed with wool (35 per cent) is acceptable at Sh. 22 a yard CIF

as compared to Sh. 26 a yard for the English terylene. Taking into account the 5 per cent commission of the indenting agents, the freight rate and the other expenses, this will be roughly half the price prevailing in India.

Nylon in the 36" width is in great demand for ladies' dresses. Though there is a factory in Nairobi both Tanzania and Uganda import a considerable amount of nylon; import into Kenya is restricted. The CIF price is 24 d. (Rs. 1.80) a yard.

Summing Up of Manmade Fabrics

The demand though not very large, is increasing; in spite of the efforts to expand local production. India's share, which is low at 4 per cent, may fall further because of her uncompetitive prices. However, India has a good scope for exporting white terrycot shirtings and terrywool suitings of the better mills, if she keeps her prices on par with the competitors from Japan and the U.K. Direct contact with the garment industry may help especially in the case of shirtings.

Readymade GarmentsDemands

With the gradual urbanisation and the rise in the standard of living, there is a larger demand for readymade garments. This is true specially of shirts and trousers. In the Western style ladies' and childrens' wear also there is a gradual change in favour of readymade garments. Ladies undergarments are almost wholly sold readymade.

Supplies

The Governments of the three countries are keen on developing the local manufacture. Thus imports of shirts are banned if the CIF price is less than Sh. 31 a piece. For the other readymade garments there are no minimum import price restrictions, but in most cases, there is a 45 per cent import duty with a minimum specific duty of Sh. 3.30 a piece. Even items like collars, shirt fronts, bodice fronts, trimmings for dresses, cuffs and ties are subject to a minimum import duty. This makes it difficult to import into East Africa the separate parts, stick them and offer them for sale competing with the local manufactured goods. Chances are

that in the future there will be a greater protection of the garment industry through the fixing of the minimum CIF import prices for more items and banning imports or raising the minimum specific duties.

Under the protective policy, many factories manufacturing readymade garments have started; this is shown in the list of factories given in Appendix IX. Shirts are manufactured in excess and there is a price-war amongst the three countries. Where other garments are concerned there are effective plans to raise the supplies and become self-sufficient. Some of the shirt factories have plans to manufacture trousers and ladies undergarments and have started producing children's garments. Most of the units are new and quite a few have Japanese collaboration or modern Japanese machines. Labour productivity, however, is less than the world standard and the designs are not up-to-date. Hence sophisticated people prefer the imported garments.

Imports

Since the local garments are not liked by the more sophisticated, there is a large import of garments in spite of the heavy import duty. Only in the case of

shirts have imports declined, because of the fixing of a minimum import price. In 1967, garments valued at U.S. \$ 4.7 million were imported in which India's share was two per cent. India had a share of 3.4 per cent in the import of outer garments other than shirts in that year in all the other categories her share was negligible.

Shirts

In spite of a heavy fall in imports in 1967, 428 thousand shirts were imported most of which (360 thousand) were by Uganda. Imports may decline, but as India's exports are at present negligible (791 shirts in 1967) India has a chance to improve. As only superior shirts are imported the better known companies may be able to sell above Sh. 31 which is the CIF price of a sheet made of terrycot and knitted terene. The trade trends show that Liberty shirts are acceptable in the market. The design of the collar is very important. White or pastel colours are the most popular. Hong Kong is the biggest supplier, because of the low prices followed by U.K. (well known brands), China (Government purchases) and Japan.

Trousers

No separate data is available of the import of

trousers. Both trade and the market show that cheap trousers (Polyster/Viscose blended) are imported from Hong Kong and the costlier ones (woollens - terrywool) from U.K., Italy and other West.European countries. Trousers from Hong Kong are selling at a price of Sh. 50 and the European variety at Sh. 80 to Sh. 120. Taking into account the trade margin, import duty and other costs the imports from Hong Kong may be at Sh. 20 to 25 (CIF) a price depending upon the quality and those from Europe at Sh. 40 to Sh. 80 (CIF) each. British trousers are purchased for prestige and hence there is no competition with the Hong Kong ones. India can sell only if the price is on a par with that of Hong Kong and this will be possible only when the cloth is supplied at Rs.10-12 a metre to the Indian manufacturers.

Suits

There are small imports of suits from the U.K., Hong Kong and Italy. Style, design, finish, stitiching and packing are important in this item. India can sell them here if the CIF price is around Sh. 200 for a good quality terrywool suit. Italy packs two suits in a carton box. The size of the market for imported suits

is small and India is not known as a supplier.

Children's Garments

There is a great demand for children's garments in blended cloth, nylon and polyster. However, no separate data are available about the imports. India is not known as a supplier because Indian firms have not explored the market. One trade representative who visited India in November 1968 feels that children's wear in India is good in design and cheap in price. They can sell very well in E. Africa if proper efforts are made. If the full range of samples are shown to importers there is a chance of making good. Indenting agents who can help to boost sales should be supplied samples and asked to book orders. Some importers doubt whether supplies would be according to the samples because of the poor image, India has created. There is a need to publicise the brands, especially through the medium of the radio; the initial cost of this will have to be met by the Indian exporters.

Ladies Undergarments

In the earlier stages the need was confined to urban

areas but now it is spreading to the rural areas also. There is a trend of westernisation in dress which is raising the demand. In the cheaper quality goods, local manufacturers cater to the market; superior quality undergarments are imported. not explored the market.

Hosiery

Future demand will continue to rise but due to the rapid development of local production, the high import duty and the licensing restrictions, imports are likely to fall. Even so India should be able to export these to some extent.

Import Duty on Hosiery

- | | |
|---|--|
| 1. Knitted or crocheted fabric | 45%
with a minimum
of Sh.3.65 a lb. |
| 2. Gloves, mittens & mitts | 33½% |
| 3. Stockings | 45%
with a minimum
of Sh.1.10 per
pair. |
| 4. Vests, singlets, tea shirts
sport shirts, cardigans,
jerseys, jumpers, pullovers
& sweaters, etc. | 45%
with a minimum
of Sh.3.30 a
piece. |

5. Knitted blankets	45%	with a minimum of Sh.0.90 a sq. yard.
6. Others	33 $\frac{1}{2}$ %	3%

Source: East African Community - East African Customs
and Excise Tariffs, October 1968, p.71

Cardigans, Jerseys, Jumpers, Pullovers, etc.

In East Africa, orlon and acrylic or mixed fibre hosiery is required because of the climatic conditions. The prices vary according to the type of fibre, style, design, etc., so it is not possible to estimate what are India's chances. In 1967, India's imports were negligible. Comparing the retail prices in East Africa and India we see that we are outpriced. Hong Kong and China are the major suppliers, accounting for more than three-fourth of the total. The average CIF price in Hong Kong was Sh. 13 (mainly synthetic hosiery) and Sh. 7 in China (mainly cotton hosiery). India competes only in woollen hosiery. The full range of the other hosiery items should be made known to the importers to ascertain their competitiveness in this field.

Stockings and Hose

This is a fast growing market. There are factories

making stockings in region and socks imports are small. Most of the imports are stockings for the army and ladies stockings. In 1967, imports were 627 thousand pairs. Government is the biggest importer (182,000 pairs probably for the army) from the U.K. Imports on private accounts, are, largely from Hong Kong (43,000 pairs), Taiwan (63,000 pairs), Hungary (65,000 pairs), Netherlands (46,000 pairs) and South Korea (38,000 pairs). Imports from India are negligible. It may be possible for India to export army and police stockings.

Vests and Singlets are produced locally and only a small quantity of superior varieties are imported and India's share appears negligible.

Jute Textiles

Demand

Jute bags are needed for packing of maize, cashew and sugar. Coffee is packed in sisal bags. Jute hessian is required for packing cotton. In Kenya there is a factory manufacturing jute bags. As hessian and sacking cloth imports are kept together, it is not possible to estimate accurately the demand for bags and hessian cloth. The

following data give the broad indications:

Imports of Jute Textiles

	'Hessian & Sacking Cloth' ' ('000 sq. yards)				'Bags & Sacks(Nos.)' ' ' (Jan.- ' Aug.)			
	1965	1966	1967	1968	1965	1966	1967	1968
Kenya	3052	2944	10108	12372	4794	6603	6941	1249
Tanzania	3728	5750	4405	2048	7020	10364	7957	3669
Uganda	5040	5748	4233	4390	2570	4609	3387	8397
Total East Africa	11820	14442	18746	18810	14384	21576	18285	13315

Source: East African Customs - Annual and Monthly Trade Reports.

It will be observed from the above table that the demand both of hessians and the bags has risen. It is due largely to the prosperity of agriculture and the sugar industry and the higher export of agricultural products. The sugar industry uses new bags, but in the case of the other products only for export purpose are new bags used. Local distribution is in used bags. Hessian is needed for the exported portion of cotton.

Agricultural production is expected to rise at

5-7 per cent per annum. Theoretically one may expect a corresponding rise in demand. But this is not necessarily true. With the rise in the domestic production of textiles less cotton will be offered for exports and to that extent the demand for hessian may go down.

In the case of bags, there is some competition with paper and propelyne. Jute bags are not used for cement packing. Paper is partly replacing jute for the packing of sugar. Sugar manufacturers are also experimenting with propelyne bags. If they are found to be cheaper jute bags may not be needed.

Supplies

In Tanzania and Uganda there is no jute textile industry. In Kenya there is one factory making jute bags. With the establishment of this factory there has been a rise in the import of cloth and a steep fall in the import of bags. This factory has plans to start weaving too, first with imported yarn and then with local spinning. When this plan materialises (at present held up due to lack of finances) it is likely to lead to a fall in the imports of jute fabrics.

Uganda also has a plan to manufacture jute bags, and later on weave hessian too. An agreement has been finalised with the Birlas. The factory may go into production in two/three years. This will make Uganda self-sufficient in jute items and hence imports may stop.

Tanzania at the moment has no plans to manufacture jute items but it is most likely that Tanzania will follow the other two countries. As a measure to develop sacking manufacture locally, bags are subject to 45 per cent duty while imports of fabrics are free of duty. Similarly, to encourage spinning, yarn is subject to 30 per cent duty against no duty on fibre. There are also plans to develop supplies of hemp and kenaf and mix a larger quantity of sisal with jute.

Imports

India's only competitor is Pakistan to whom, India is gradually losing the market, which can be seen from the following data:

	<u>Imports of Jute Textile</u>			
	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>
				(Jan.-Aug)
Total ('000 U.S.\$)	7,107	8,918	8,374	5,317
India (- do-)	7,151	4,177	2,573	N.A.
India's share (%)	58	47	31	N.A.

The reasons for India's share declining are the uncompetitive prices. Importers in all the three countries said that Indian prices were 30 per cent higher than those of Pakistan.. If the price difference could be reduced to 2 to 5 per cent they would prefer Indian jute goods because of the better quality and the established connections. Therefore, the only method of raising our share is to offer competitive prices. Contacts with the sugar mills (Mehta and Madhvani Groups) and the Central Cooperative Union who are the bulk buyers will also help to develop the exports, provided prices are competitive.

Imports of other jute goods are steady. Here too the problem is the price.

Iron and Steel

Demand

In East Africa the demand for iron and steel items is largely for construction purposes (rods and bars, angles, flats and joists, galvanised corrugated sheets and window frames), for drainage (cast iron pipes and tubes), the water system (galvanised iron and steel tubes)

and for the railways (track material) The other requirement for (engineering industry, structurals for bridges and factories and other installations) are relatively small.

The available statistics of local supplies and imports show that in 1967 the demand was 0.22 million tonnes. Data on production over time are not available but import data (1962-68) show that the demand is rising at a rate of 14.3 per cent per annum. There are plans to start light engineering industries like furniture, tubes, conduit pipes, spares for autos and bicycles, wires, springs, etc. These industrial developments should raise the demand further. Pipes and building materials will continue to be required because of the schemes of accelerated programme development. Thus, the overall rate of growth in demand may be between 15 to 20 per cent per annum. On this basis, by 1975, the total demand may be between 0.7 to 0.9 million tonnes per annum against 0.22 million in 1967.

Supplies

There is no steel mill in East Africa. There is a rolling mill at Jinja, Uganda, with a capacity of

30,000 tonnes which uses East African scrap. This unit finds it difficult to compete with the imported rolled products. Production is 80 per cent of the capacity (24,000 tonnes in 1968). The price is fixed on the basis of the import price. At present it produces the following items:

	<u>Total Production in</u> <u>East Africa</u>	
Round bars	upto	1½"
Square bars	"	1"
Steel tubes based on imported strips	"	2"
Angles, flats and baling hoop	Sizes not known	

There is a plan for diversification to improve profitability. A plant manufacturing nuts to bolts has been erected and is likely to have gone into production in early 1969. A complete wire drawing plant with a capacity of 400 tonnes a month may start production any time in 1969. This capacity will be more than the combined demand in the community for 350 tonnes a month.

The Madhvani group, owners of this firm is pressing for higher import duties and is also trying to get an anti-dumping duty levied on Indian tubes and rods. However, the other two countries (Kenya and Tanzania)

are disinclined to do this because it will make steel costlier.

In Uganda, there is also a cast iron pipe unit with a capacity of 4,000 tonnes a year (Ugma Steel and Engineering Corporation Ltd.) and two corrugated iron sheet units (Uganda Booti Ltd. and Uganda Steels Ltd.). Kenya has three small foundries for which capacity data could not be obtained.

At present most of the requirements are met from imports. However, there is a long range programme to make themselves self-sufficient. Tanzania is going in for a rolling mill, in collaboration with an Italian firm and may start production in 2/3 years. It is presumed that this unit will make the region self-sufficient in some items. Tanzania has iron ore deposits also, and has a long term plan to start a steel mill. The ore is being tested by Japan but because of the titanium content in the ore, the steel industry will take a couple of years to develop as the present cost of separating the titanium makes it uneconomical.

Uganda has a Japanese firm making a feasibility study of a plan investment of UG £ 20 million to produce

steel plates and sheets. According to information from the Uganda Development Corporation, the project may take at least five years to materialise.

Structure of the Market

Iron and steel is imported by a number of firms, but in each country about half a dozen of them account for the bulk of the imports. Government is the biggest consumer. However, direct Government imports are small and they are mainly under aid programmes from the U.K., West Germany, Belgium and China. The material needed by the railways is entirely imported by the Government (East African Railways Corporation).

Most of the business is through indenting agents who normally charge a commission of 2 to 3 per cent (5 per cent in case of imports from China). Most of the trade is handled by Indians and they prefer to import from India the materials even if the Indian prices are 1-2 per cent higher than the Chinese prices. They are reluctant to deal with the latter. Some of the firms prefer to have direct contact with the manufacturers so as to save the indenting agent's commission. The size of individual orders is often small because

of the low demand. Some importers allege that important Indian exporters do not pay adequate attention to this market because of its size.

When contacts are made the normal delivery period stipulated is three months from the date of the order. The delivery of food from India is often late and the LC's need to be revalidated, which annoys importers. The firms importing from India against sight drafts have no complaints; others want a credit of 90 days.

Orders are placed both in the imperial and metric weights but the imperial system is more prevalent. However, in January 1969, the metric system came into use.

Competition depends mainly on the price. BSS standards are preferred and the quality is generally no problem for India. However, there is a universal complaint that the Indian marking and packing are poor leading to a large amount of breakage of cast iron pipes and the wrong delivery of other items. This also annoys the port authorities. Late arrival of documents is another problem.

Import Policy

The import of the following items is free of duty, namely, pig iron, prime steel, universal plates, railway track material and certain types of wire rods, angles, hoops and strips, flats, iron and steel wire certain types of tubes and pipes, iron and steel containers, iron and steel fittings and some industrial products. Other items are subject to duties varying between 15 to 33½ per cent. On wire rods, bars and rods, there is only a specific duty in order to protect the local industry. On sheets, plates, and flats there is an ad valorem duty with a minimum duty per square foot, again to protect local industry. These duties are considered inadequate by manufacturers and they ask for higher rates. Details are given in the subsequent section dealing with export prospects.

Imports

In 1967, 0.2 million tonnes of steel valued at \$ 37 million were imported. Imports have continuously risen as can be seen from the following table:

Imports of Iron and Steel into East
Africa

	(Value '000 \$)			
	<u>Uganda</u>	<u>Kenya</u>	<u>Tanzania</u>	<u>East Africa</u>
1962	2,772	4,731	1,467	8,970
1963	2,794	3,117	2,383	8,294
1964	2,724	9,593	4,013	16,330
1965	4,413	12,729	7,048	19,754
1966	5,006	12,533	6,070	23,609
1967	5,216	14,263	17,119	36,598
1968	3,189	10,343	6,804	20,336
(Jan.- Aug)				

Source : East African Customs - Annual and Monthly
Trade Reports

Details of the imports of the various types of items (quantity and value) and India's share in each are given in Tables 17 and 18 .

It seems that the absolute quantity of import will continue to rise; it is likely that the rate of increase may slow down after 2½ years when Uganda's expansion programme is completed and Tanzania's rolling mill goes into production.

India has been a small supplier of iron and steel till 1967 (4.7 per cent in quantity and 3.9 per cent in value in that year). India's share in cast iron pipes

was 23 per cent and in steel tubes, pipes and fittings, 11 per cent, but in other items (structurals, universal plates and sheets, etc.) it is negligible. Indian prices of cast iron pipes and galvanised pipes and tubes are apparently very competitive and in 1968 India's share increased. Because of the price advantage, there is a chance of increasing our share. China, Taiwan, South Korea and East Europe are the main competitors.

Bars and Rods The demand is increasing because of the boom in the construction activity. Both the round and the twisted bars are used. Bars and rods upto 1½" are produced locally. To protect them imports are subject to the following duties:

	<u>Import Duty</u>
1) Rounds of diameter ¼" to 1½"	(a) Sh. 175 per ton where the value per ton is Sh. 700 or more (b) Sh. 175 per ton + that amount of value where value per ton is less than Sh.700 if C.I.F. price is below Sh. 700.
2) Square bars and rods cross sections ¼" - 1 5/8"	25%

In spite of the substantial import duty all sizes are imported. For construction purposes, the municipalities have laid down a rule that bars of 28-32 BSS strength should be used. Generally speaking there has been no problem about the quality of Indian bars but, certain Indian rolling mills, (26-30BSS) have supplied bars of a lesser quality. The municipalities take five/six samples in a building and if the bars and rods are below specifications they have been removed.

Indian prices are generally 5 per cent lower than these of the other suppliers. In 1967 imports were 20,000 tonnes of which India supplied 2,000 tonnes. India's share has thus increased from 3 per cent (in quantity) in 1966 to 10 per cent in 1967; there is still room for expansion. We should aim at a share of at least 10,000 tonnes a year. Kenya is the biggest market and hence concentrated efforts should be made there. There is a demand for 40' twisted bars too but, because of the shipping difficulty, Indian exporters do not offer above 20' pieces. Contacts with building contractors, shorter and prompt delivery periods, and the grant of 90 days credit may help to raise India's share. India's major competitors are the U.K., Belgium, France West Germany

and Luxembourg. From January 1969, a 10 per cent surcharge on the freight from Europe is being levied which should help India's exports.

Angles and Flats

Certain sizes of angles and flats are manufactured locally for which the data could not be obtained. Hence, it is not possible to estimate the demand accurately. However, the import duty structure below gives a broad indication of the sizes produced locally.

Import Duty on Angles and Flats

	<u>Import Duty</u>
1. Flats of a width $\frac{1}{2}$ " - 5" and a thickness not exceeding $\frac{3}{4}$ "	25%
2. Angles of a side width from 1" x 1" to $2\frac{1}{4}$ x $2\frac{1}{4}$ "	25%
3. Other Angles	Free

In 1967, the total imports were 20,000 tonnes of which India's share was 8 per cent or 1,600 tonnes. The U.K. and Belgium are the strongest competitors, with a share of one-half of the total. West Germany is another important supplier. Indian prices are 10 per cent cheaper but India is not able to acquire a larger share

because of the lack of interest of the leading Indian manufacturers. The quality of products offered by the smaller Indian exporters is acceptable only in competition with East Europe. If bigger units take an interest, it is possible to get a substantial share.

Universal Plates

There is no local production and the entire demand is met by imports which are about 20,000 tons. Most of it is supplied by France and Japan. The C.I.F. price is £ 40 per metric ton. The demand for them is in the thickness of 3, 4 and 6mm. and in sizes 8'x4'. India is not anywhere in the field. But one leading importer in Kenya informed the study team that Russia has exported plates of Indian origin.

Other Plates and Sheets

There is a good market for other plates and sheets too. Imports were 35,000 tonnes in 1967. Kenya is the biggest market taking more than half of the total imports. India has no share. Japan and Belgium are the chief suppliers. The average C.I.F. price is £ 52 a tonne.

Tinplates and Sheets

This is another item where India's share is

nil at present. Total imports are 15,000 tonnes, mainly from the U.K. and Japan. No price data are available. The average CIF import price in 1967 was £ 78 a tonne.

Corrugated Sheets up to a thickness of 0.014" are locally manufactured. They are also subject to an import duty of 30 per cent or 10 cents a square ft. Hence the import is small (1.5 million square ft.). Kenya is the only country that is interested.

Corrugated sheets of a thickness above 0.014" are also made in Uganda but still both Kenya and Tanzania imported sheets of 22,000 sq. ft. and 12,000 sq. ft. respectively from the U.K. and Belgium. These imports may decline further and hence there are no prospects for a new entrant like India.

Galvanised Sheets are used for roofing and are quite popular for house construction in rural areas. There are two units in Uganda manufacturing galvanised sheets and their prices are lower than the imported sheets, because of the import duty on the latter of 8 cents a sq. ft. or 30 per cent on sheets of 0.014" or less thickness, and 8 cents per sq.ft. on sheets of thickness exceeding 0.014". As no data could be obtained on the production, it is not possible to estimate the

demand. In 1967 11 million sq. ft. of sheets upto 0.014" thickness and 0.1 million sq. ft. in greater thickness were imported. Most of the imports (97 per cent) are by Kenya; the other two countries use sheets manufactured locally. India has no share. Japan has a virtual monopoly, with a share of more than nine-tenths.

Strips

This is a new item imported by the Uganda Steel Plant for producing steel tubes. At present tubes up to 2" are made and so the demand is confined to strips up to 2". The mill is thinking of making larger sizes and this can create a need for wider strips. Contacting the mill will help as its management is interested in Indian strips.

Cast Iron Pipes

There are wide year to year fluctuations in imports. In 1965, imports were 3,000 tonnes, which rose by 50 per cent in 1966, to 4,500 tonnes but declined to 1,500 tons in 1967. These fluctuations reflect competition by the local industry. Domestic production makes pipes which are 4" thick. Most of the demand is for pipes of

4" to 6" in thickness. Indian prices are considered the cheapest. Sometimes the pieces in South Korea and China are cheaper but these countries are not very much in the market. Because of the price, India has increased its share from 16 per cent in 1966 to 31 per cent in 1967. Trade data are not available for 1968 but it is presumed that virtually all imports are now from India.

High breakage (up to 50 per cent in some consignments) poor markings and sometimes the supply of substandard products, are some of the problems which deter the expansion of exports. If these can be solved to the satisfaction of the importers, India could get the entire share. Direct contact with the municipal authorities will also help.

Other Cast Iron Products.

There are a few foundries in the region. The Uganda Steel Mill of the Mehta Group has the biggest foundry which can cast a piece up to 20 tonnes. It has a capacity of 150 tonnes per month and has a plan to expand to 250 tonnes per month. It cannot produce steel

castings, but there are plans for to achieve this goal. The demand for castings is very small and imports are negligible at 200 - 300 tonnes a year. So we do not have very bright prospects.

Galvanised Iron and Steel Tubes and Pipes

There is a great and increasing demand for tubes and pipes for the water supply. The present need is for about 45 - 50,000 tonnes per year. This is expected to increase and may be doubled in the next 5/6 years. Imports of fittings amount to 1,500 to 2,000 tonnes a year. A large percentage of the requirement (50 per cent) is for tubes of $\frac{1}{2}$ ", $\frac{3}{4}$ " and 1". The rest of the demand is mostly for pipes up to 4". Sizes above 4" seldom needed and those above 6", are hardly used. For some uses, especially in agriculture, competition with plastic tubes arises because the latter is cheap. In Nairobi the price of plastic tubes of $\frac{3}{4}$ " diameter is at 30 cents a foot, only 50 per cent of the C.I.F. price of steel tubes. Government gets plastic tubes at 25 cents a foot. The total production of plastic tubes is 3,000 tons (iron tubes equivalent) a year. So far plastic tubes have not been approved by the health authorities and the water supply

departments for carrying water; they are used only in the fields. If they are approved for use in the drinking water supply, the demand for steel tubes may decline.

Imports are increasing. Between 1965-67 there has been an increase in imports from 8,000 tonnes to 43,000 tonnes mainly into Tanzania. India's share in total imports rose to 33 per cent in 1966, declined to 15 per cent in 1967. In 1968 India had more than regained its share because relative cheapness of her prices. Most of the tubes are now being imported from India.

The minimum export price in India is now known to every importer and this has become the maximum price. Yet Indian pipes are cheaper than the pipes from other countries. The South Korean price for 2" to 4" pipes is by 5-7 per cent cheaper than the Indian price. But Korea has no regular market. Indian prices are cheaper mainly for pipes of 2" less. Demand for 6", 8", 10" and 12" pipes is relatively less and India has market for these sizes. When China and East Europe are in the market, their prices are cheaper than the Indian ones by 5 - 10 per cent. India can consolidate her position

by the prompt delivery of her goods. The packings and the markings are also very poor. All packings become loose by the time they reach Mombasa or Dar-es-Salaam; markings are rubbed off and it becomes difficult to sort out goods of the various firms. This creates problems for port authorities, custom officials and the importers. Sometimes there is a part shipment. There are also complaints of shortage in footage, and the delay in setting claims. If these problems are solved, India can raise her share substantially and may aim at four-fifth of the total exports. Most of the trade is in the hands of Indians who are eager to promote the rate of Indian products.

Structurals

Joists in the sizes of 100 x 50, 200 x 100, 75 x 150, 125 x 75 mm. are popular. The demand is small. India's prices are competitive compared to those U.K., Belgium and Russia. However, the prices of some of the Indian products such as pressed steel tanks, etc., are higher by 10-15 per cent than those of the other suppliers.

Britain has a hold in this sector of the market. India can develop her exports by catering to the small orders.

Rails and other Track Material

Rails are purchased by the East African Railways Corporation only. This is taken up when discussing sales to the Railways. India's share is nil; most of the imports are from the U.K.

Iron and Steel wire

Black wire is required for the making springs for steel beds and galvanised wires for fencing purposes. There is also some demand for nails. At present there is no local production. The total requirement is estimated to be around 8,000 tonnes. Most of the wires needed are in the 8, 10 and 12 gauges. East European countries are the main suppliers. France offers the C.I.F. price of £ 48 to £ 54 per tonne depending upon the gauge. The prices of the communist countries could not be obtained but it was said that they were cheaper by 5-10 per cent compared to the Indian price. India is not in the market now but Indian prices are generally reported to be competitive.

Direct contact with the users, especially furniture manufacturers and the tea and coffee estates

will help to develop the market. But the market may be short-lived because there is a plant under erection in Uganda which will substantially meet the local demand.

Steel Wire Ropes

There is no local production; import data are not available separately. Therefore, it is not possible to assess the demand. The J.K. Steel wire ropes have been exported though at a little higher price than that of the West German ropes.

The C.I.F. prices from Germany are as under:

<u>Thickness</u>	<u>Germany C.I.F. prices in Sh. per 100 ft.</u>
3/8"	41
1/2"	60
5/8"	87
3/4"	117

Summing Up ; Iron and Steel Products

In pipes, tubes, rods and fittings, India offers competitive prices and the Indian share has risen. It is possible to get a complete hold on the market by adhering to the delivery schedule, by aggressive salesmanship, elimination of breakages in the C.I. pipes, proper packing

and marking and the prompt settlement of claims. There is a good market for flat products which India has not catered to so far. Probably the constraint of supply in India is the major hurdle; prices for most of the products are competitive.

Aluminium

Ingots

In East Africa, there is only one aluminium rolling mill, namely Aluminium Africa Limited, Dar-es-Salam. It has a rolling capacity of 5,000 tonnes per year but due to lack of demand it is rolling annually 2,300 tonnes. It uses slabs and not ingots. Demand is around 2,300 tonnes slabs are required. The company expects a rise of 5 per cent in the demand per year. This may go up as follows according to the estimates of its sole user.

Estimated Demand of Aluminium Slabs

(Quantity Tonnes)

1968	2,300
1969	2,400
1970	2,500
1971	2,600
1972	2,700
1973	2,900
1974	3,100
1975	3,300

The above estimates are based on the assumption that there will not be any serious change in the present situation, i.e., imports of circles and sheets will be allowed as at present and the export prospects will be marginal. However, if the imports of circles are banned, the demand for slabs may reach 5,000 tonnes by 1975.

The company gets a credit of six months from the suppliers. The CIF price, according to the company, is the same from all suppliers based on the London Metal Exchange prices. With six months' credit and the assurance of regular supplies, India can plan for almost the entire market. The present supplies are entirely from Norway and these accounted to U.S. \$ 364,000 in 1967.

Circles

Aluminium circles are required for the manufacture of utensils. Till 1967, the annual imports of circles amounted 300 tons and these were mostly by Uganda. The rest of the demand was met from the Aluminium Africa Limited. After the imposition of anti-dumping duty of 15 per cent (in addition to the import duty of 30 per cent) on aluminium hollow-ware from India, the local aluminium

utensils industry has got a fillip. Now, Uganda required 1,200/1,500 tons of circles a year and this is obtained from the three factories as shown below:

	<u>Annual Demand</u> (Tonnes)
1. East African Aluminium Works Ltd.	800/1000
2. Holloware-Industries	200/250
3. Mbatia Limited	200/250
Total :	1200/1500

All this demand is met from imports, as the circles produced in Tanzania are not liked by the Uganda Companies. In Tanzania, all the demand, and in Kenya most of it, is for local circles and the export opportunities are insignificant.

India, China and Russia are the chief suppliers. Till the middle of 1968, the Indian price of U.K. £ 250 per tonne was only £ 5 higher than the Chinese and the Russian prices. Indian circles were preferred because they were delivered sooner. However, by the end of 1968 India lost her place as can be seen from the following prices offered.

CIF Prices offered by competing countries
for circles at the end of 1968

<u>Country</u>	<u>U.K. £/Tonne</u>
India	345
China	262
U.S.S.R.	255

Because of the price disparity, orders are being placed with India now. In order to recapture the market, the following should be given due attention:

The demand for the 17 to 22 gauge should be adhered to. There have been cases when one gauge higher or lower than that ordered has been supplied, creating trouble for the manufacturers of utensils.

Only standard sizes of circles in accurate gauge should be exported. There have been complaints that Indian sizes are not uniform or accurate. Uniformity is possible only if machine cut circles are exported.

The finish of the Indian circles is dull; China has the best finish, because of proper polishing. Japan U.K. and Russia also have superior finish compared to that of India.

Indian packing also is not up to the mark. China

wraps each circle in grease proof paper, makes small bundles and packs them in cartons. In such a packing, the sides are intact, and the shine is maintained. Indian suppliers pack them with steel strips; in packing them so, the corners get bent in transport and the shine is lost.

Other Aluminium Products

Import of other aluminium products like sheets and foils is small:

East African Imports in 1967

(Value '000 \$)

Aluminium coils	7
Aluminium sheets	122
Aluminium foils	518
Aluminium tubes & pipes	33
Aluminium wire	46
Others	62

If India's prices and brightness of the products improve, it will not be difficult to get a substantial share in the market.

Electrical Machinery and Appliances

Electrical machinery and appliances (including electricity generation and distribution machinery and equipment, electrical motors, switchgears, domestic

appliances, air conditioners, electric fans and other electrical fittings and lighting equipment, etc.), are important items of import valued at U.S. \$ 26 million in 1967 and were estimated to amount to U.S. \$ 31 million in 1968.^{1/} These items belong to a fast growing group. However, in this important line India's share is negligible (Table 19).

As the group contains a large number of items whose buyers, market conditions, etc., differ, they have been subdivided into six groups, namely,

1. Electricity generating and distribution of machinery and equipment
2. Electric motors
3. Cables
4. Electric fittings
5. Domestic electric appliances and
6. Electric fans

1. Electricity Generating & Distribution Machinery and Equipment are required either for the generating of new power or for the distribution stations, or for repair and maintenance.

New Schemes: With the development of industries, the demand for power is rising in all the three countries. To meet the additional need Tanzania is thinking of establishing a major power station either on the Great Ruaha or on the Wani River. The capacity of the station

^{1/} Based on imports of first 8 months.

will be approximately 160 MW which will need an investment of Sh. 247 million, out of which Sh. 121 million is the foreign exchange content. The difficulty of getting foreign finance is holding up its development, though the Government wants the scheme to be completed by 1972. A country that offers a loan for about 20 years at 6 per cent interest may get the order for the entire equipment, if the world bank credit does not meanwhile become available.

Uganda is also planning to have a major power plant of 180 MW capacity at Murchison Falls, for which tenders are likely to be invited by the middle of 1969, after the arrangement of finances is finalised.

In Kenya, it is expected that the demand for electricity will rise at the rate of $13\frac{1}{2}$ per cent per annum.^{1/} The country is in short supply and is buying power from Uganda. The only potential natural source is the Tana river, which can have an ultimate generating capacity of 240 MW. The first phase for 42 MW was completed in 1968. Further capacity will be developed in phases, according to the rise in the requirements and the availability of funds. It is expected that 75 per cent of the power generating programme will be financed by foreign loans and equity participation.

^{1/} Republic of Kenya - Development Plan, 1966-1970, p.296

Besides these three big schemes, there are also plans to instal small diesel generating sets. Tanzania has plans for such generators at Mwanza (3,000 KW.), Nyumba (8,000 KW.), Dar-es-Salaam (30,000 KW.), Matwara (1,500 KW.) and Sonoga (capacity not decided). For the other two countries, the details are not available.

The above description clearly indicates that East Africa has a substantial market for the generation of the power and the distribution of machinery and equipment. However, finance is the major problem for these countries. They are trying to get IBRD loans for the big schemes. If such a loan is made available, India can compete without providing any credit. If the credit is provided by the U.K., West Germany, U.S.A., Japan or any other country, it will not be possible for India to sell, (irrespective of the price) because it will be likely that the loan is tied. Nor will it be possible for India to provide a large loan at a low rate of interest (6 per cent) for a long period (20 years). Thus the prospects for India depend largely on whether the purchases are through an IBRD loan or otherwise.

Method of Purchase for New Schemes: The method of purchase depends upon the source of the finance. If

IBRD gives the loan, inquiries are invited through the Times of London, The New York Times, The Electrical World (US) and local publication in East Africa. Sometimes copies of the tender notices are circulated to the embassies. Commercial Counsellors of Canada, Denmark, France, Germany, Italy, Japan, Sweden, Switzerland, U.S.A., the British Board of Trade and the Australian Government Trade Commission are usually informed, but not the Indian High Commission.^{1/}

The price of the tender form is substantial (normally £ 25) but often there is no earnest money. Two months, from the date of notice, are given for submitting the tender. Often, offers are required to be quoted ex-warehouse of the electricity board, i.e., the C.I.F. plus the clearing duty and the cost of internal transport to the warehouse. But even CIF prices quoted have to be considered. The tenders are opened in public and a consultant firm is appointed to assess the tenders, and help in making the decision. Besides specifications, the assessing experts also look into the capacity of the tenders to supply the goods in time and see to their

^{1/} This has happened recently in case of the order issued by Tanganyika Electric Supply Company.

market reputation. However, once the 'contracts' are approved, generally the cheapest tender is accepted, but some weightage is given to the delivery period, their reputation, etc.

Price Competitiveness

At each time the tender offer vary in size and specifications, it is not possible to say how far India's prices are competitive. Details of the prices quoted by the different tenderers, for the one tender by the Tanganyika Electric Supply Company Limited opened on May 1, 1968 and this was obtained. It shows that only one firm from U.K. (Associated Electric Industries) quoted for all the items. However, others were not at a disadvantage because the source of supply was decided on quotations of individual items. Three Indian firms, namely, the Aluminium Industries Limited, Kundara, EMC International, Calcutta, and Keystone Trading Company, Bombay, quoted prices for ACSR conductors, PVC sheathed conductors and aluminium binding coils. In all these cases Indian firms were found to be the cheapest and hence Indian prices were very competitive. The prices quoted by India and by the other three lowest bidders are given

below:

Price Quoted By Certain Companies to
Tanzanika Electric Supply Company
Limited for CSN & co in Tanzania in 1961

(CIF value in '000')
Shillings per lot)

India

a) EMC International	278
b) Aluminium Industries	311

Finland

Nokin (Finish Cable Works)	296
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Japan

Sumitomo Shoji Kaisha Ltd.	313
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Ireland

Unidare Ltd.	349
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PVC Seathed ConductorsIndia

Aluminium Industries	63
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Japan

Sumitomo Shoji Kaisha Ltd.	78
----------------------------	----

South Wales

Aluminium Wire & Cable Co.	83
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U.K.

Alcon (U.K.) Ltd.	84
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Indian prices for aluminium binding wire were slightly higher than the Irish prices but cheaper than the prices of the other countries.

(Value Sh. '000)
Per lot

Ireland

Unidare Ltd. 7

India

EMC International 8.6

U.K.

Alcon (U.K.) Ltd. 9.9

British Insulated Callenders
Construction Co. (BICC) 14.8

India did not quote for other items; the following data give an idea of the relative prices quoted, for other items, by other countries.

(Value '000 Sh.)
Per lot

Insulators and Fittings

U.K.

Doulton Insulators 150

Japan

U.K. BICC 163

Joint & Clamps

U.K.

BICC 9

(Value '000 Sh.)
Per lotU.K. AEITurn Buckles

<u>France</u>	1.6
<u>Japan</u>	1.7
U.K. BICC	1.9

Bolts & Nuts

<u>South Wales</u>	3.7
<u>U.K. BICC</u>	31
<u>Japan</u>	37

Though India's prices were competitive in the items she quoted, the delivery period in one case took 5 months and was much longer than the 2-3 months asked for by other competitors. Insistence of LC or payment on sight draft on arrival at the port was also inconsistent with the general policy of the electricity boards, make payments only after the goods have been received in the warehouses and inspected.^{1/}

Maintenance Requirements

There is a considerable demand for switchgears,
^{1/} India's competitiveness in switchgears, generators and transformers could not be studied because no tender prices could be obtained.

transformers, overhead lines, etc., and parts thereof for maintenance. They are normally purchased from approved suppliers through trade inquiries. The policy of the Board is not to deal with many suppliers, and the firms on the list are preferred even if their prices are 5-10 per cent higher. But where the price difference is more, new firms are considered. From discussions on the spot it appears that the first criterion is dependability, which in turn depends upon convincing the chief engineer and the maintenance engineers about the bidder's standing and reliability. In order to convince them, other countries send teams of three persons - a designer, a production engineer and an export manager. They have not only to convince them technically but are required to entertain them. Sometimes the purchase department personnel have to be given some payment or commission at the end of the year for the regular purchases.

Suggestions for Promoting Exports

In East Africa the only agencies who buy power generating and distribution equipment on a big scale are Tanganyika Electric Supply Company Ltd., Uganda Electricity Board, The Kenya Power Company and the East African Power and Lighting Company Ltd. (Kenya). Therefore, all

efforts of sales promotion have to be concentrated on these four organisations. Small diesel generators, transformers, and switchgears are purchased by industrialists, who have to be contacted.

India should quote her prices up to the warehouses when so required and should be ready to accept payment after goods reach the warehouse of the buyer.

In the case of simple items, the delivery period should start within 2/3 months of the receipt of the final order.

India should offer complete tender either on its own or in collaboration with foreign firms, especially those firms who have been manufacturing equipment in India.

The ability to sell switchgears and small transformers will depend basically upon the ready stock in East Africa. For this purpose India will have to start its own sales organisation.

The finish of the switchgears, transformers, etc., should be improved. Hand transformers from Japan are popular not only because of their price but because of their finish.

India should try to improve the designs by making light weight equipment and should bring down the energy loss to be at par with the other countries.

2. Electric Motors

Electrical motors are imported either along with other machinery or separately. Some of the leading firms like A. Burman and Co. and Dalgety informed us that the tendency was to import motors along with other plants. The price is quoted for complete equipment. This, it was said had reduced the sale of motors across the counter though this is only one view. Some companies like Zurobi Limited (Uganda and Kenya) and the Electric Trading Co. (Uganda) informed the study team that motors also sold separately.

The demand is for motors up to 25 H.P., mostly 3, 5, 10, 15 and 20 H.P. British motors like A.E.I., HICKS and SEC are the most popular. Indian motors made by Hindustan Brown Boveri with Swiss Collaboration are in the market, through the Swiss firm - Zurobi Ltd. They feel that the prices of Brown Boveri motors made in India are competitive with those made in Switzerland. According to some other firms Indian prices are only

5-10 per cent cheaper than AEI but they are not cheaper than the other English makes. With this narrow price difference it is not possible to sell them as the motors manufactured by the firms in the U.K. have already established themselves. Indian motors are relatively poor in their finish and, according to a number of users, for the same HP, they consume more power. Servicing is also poor and sometimes items like screws are missing from the Indian products. Dealers have a poor opinion about the Indian servicing (~~pre-scale~~ and after-sale); even the Indian import houses are reluctant to sell Indian motors for this reason.

The prices are quoted FOB by AEI. The English Electric have a list price for the U.K. in which it gives $22\frac{1}{2}$ per cent discount. Hungary quotes the CIF in U.S. \$. Prices of some of the popular sizes are as follows:

AEI Motors : Single Phase

<u>H.P.</u>	<u>R.P.M.</u>	FOB London (<u>Net Price</u>) £ Sh.
1.	1410	10 - 18
2.	2800	13 - 13
3.	2800	16 - 8
4.	1420	18 - 16

English Electric Company: Single Phase 230 Voltage
or Double Phase 420 "

<u>H.P.</u>	<u>R.P.M.</u>	<u>Frame Size</u>	<u>LIST PRICE</u>		<u>FOB London Price</u>	
			£	Sh.	£	Sh.
5.	2830	D184	25	- 11	19	- 3
5.	1430	D213	29	- 16	23	- 7
5.	710	D254	48	- 11	37	- 13
10.	2850	D215	43	- 11	33	- 15
10.	1445	D254	48	- 11	37	- 13
15.	2860	D254	55	- 5	42	- 16
15.	1445	D256	65	- 10	50	- 16
2.	2810	D164	19	- 15	16	- 8
3.	1415	D184	22	- 10	17	- 8

Hungarian CIF Prices are as under:

<u>H.P.</u>	<u>Speed</u>	<u>CIF Prices \$</u>
3.	1500	26.7
4.	1500	34.8
5.5	1500	46.0
7.5	1500	59.9
10	1500	78.7

In the absence of adequate knowledge of the prices of Indian made motors (less subsidies) it is not possible to estimate their competitiveness. Moreover, this will depend upon the popularity of a particular brand. Some motors made with foreign collaboration may perhaps sell at higher prices than others. It is necessary that Indian manufacturers visit these countries to test the market.

3. Cables

In East Africa the demand for cables for power distribution is negligible because only overhead conductors are used. The needs of the industrial units for internal distribution are small.

There is a good and growing market (10-13 per cent rise per year is anticipated) for cables and flexibles needed for house and factory lighting. PVC insulated single core or single/twin sheathed cables in sizes 3/.029, 3/.036, 7/.029, 7/.036, 7/.044 are required. Flexibles, twin flat, PVC twin twisted, TRS 3 cores, PVC cotton cover 3 core and unkinkable 3 core in 14/.0076 sizes are in great demand.

There are three units, one in each of the three countries, producing these items. Production data of these could not, however, be obtained. It is assumed that the demand is rising. In spite of the rise, imports are declining and India's share, which was negligible in 1965 at 0.37 per cent, had further declined to 0.11 per cent or to U.S. level at \$ 2,000 in 1967.

Some of the small manufacturers from Bombay have exported cables at the following CIF prices.

CIF Prices of Indian Cables in East Africa

<u>Description</u>	<u>Rate per 100 yards</u> <u>(British £)</u>		
	£	Sh.	d.
PVC unsheathed single core red and black size 3/.029	9	10	0
PVC insulated PVC sheathed (black core grey sheathed)	12	8	2
PVC & PVC insulated sheathed, sheathed flat size 2 x 3/.029"	23	00	00
As above but sizes 2 x 7/.029"	44	10	00
PVC insulated unsheathed single size 7/.029"	18	09	00

These prices are 5/7 per cent cheaper than the U.K., the main competitor. But the quality of these cables is not considered good. They are not as flexible as they should be. Importers feel that the prices of the better known Indian companies are not competitive and are 5/10 per cent higher than in the U.K.

Enfield Cables (E.A.) Ltd., who also have a manufacturing unit in Kenya, is the biggest importer from its parent company. A Bauman & Co. (EA) Ltd., Phillins (Kenya) Ltd., Old East African Trading Co. Ltd., and Zurobi Ltd., are the other chief importers. Imports are subject to 30 per cent duty in Kenya and Uganda and

15 per cent in Tanzania.

Summing Up

Cable imports are small and contracting. Yet India can sell increased quantities provided well-known companies offer prices 5 per cent cheaper than the U.K. Finding agents is the problem. Contracts with electricity boards, electric fitting contractors, etc., will help.

Electric Fittings and Accessories

There is no local industry worth the name, except for the plastic conduit pipes. However, there are attempts to develop manufacturing them locally. Imports are subjected to 30 per cent duty. At present, most of the requirements are met by imports. The quality of the British goods is considered the best and is used in high class hotels and private buildings. Cheap items which are imported from Hong Kong and China are the most popular. Separate data on imports are not available. Therefore, it is not possible to state the total value of imports or their sources.

Indian prices are much cheaper than the prices of U.K. and they are at par with the prices in Hong Kong

and China. However, the finish, design and packing done in India are much inferior to those of Hong Kong. Hong Kong also has aggressive salesmanship. Literature giving designs and prices, on the basis of which orders are placed, are regularly sent to the customers. India, it appears, has not made any such sales effort.

CIF prices, in November 1968, for some of the accessories from Hong Kong were as under:

	<u>CIF Prices per Dozen</u>	
	British currency	
	Sh.	d.
Switch 3 terminal	7	8
Pin plug	5	2
Pin plug with earth	8	0
Junction boxes	10	0

If India can improve the finish and packing of goods, it will be possible to sell more of them. Most of the orders are placed through indenting agents who have fully illustrated catalogues and samples. The trade is partly in the hands of Asians and partly with the British. Getting proper agents will not be a serious hurdle. But it will be necessary to see that designs are as good as those from Hong Kong. Indenting agents are prepared to help in this direction by supplying samples and other market information after they are appointed.

Domestic Appliances

The domestic appliances market is small but growing. Till recently, they were being used only by the high income group and of top international makes like Phillips, Murphy Richard, etc. However, with the gradual rise in the income level and the spread of electricity in rural areas, the middle income group also has started buying domestic appliances, especially electric irons, kettles, water heaters, etc. The middle class is very price conscious but at the same time wants reasonably good appliances. The requirement of this class is expanding and soon will have a bigger market for the expensive items.

All items except electric water heaters are subject to a 30 per cent import duty (the duty on heaters is 15 per cent). There is no local production, but some attempt is being made to start producing some simple items like electric irons. Unfortunately, no import data are available. Therefore, it is not possible to how the demand of the various appliances is rising and who are the main suppliers. The trade feels that the demand will rise about 10 - 15 per cent per year.

Indian exports are almost nil. The main countries in the market are Japan, the U.K., and Holland.

There are various reasons why India's exports are negligible, the main one being the poor quality of her goods and unefficient service. India can not compete with Phillips or Murphy Richards in respect of quality but she can certainly cater to the demand of the middle and lower class people. However, Indian companies have not approached the market and the importers do not know the Indian products.

In order to improve the quality of Indian appliances only good companies should cater to the market. They will be required to provide 12 months guarantee against any manufacturing defect and replace parts free if found defective. The dealer provides free repair and the cost of the part is charged to the supplier, who has to trust the distributor or the sub-distributors in this respect.

It may not be enough if a simple guarantee is given; appliances should be so built that occasions to exercise this facility is minimised. Further, it will be necessary in the initial period to have large scale

advertising. The well-established firms have not advertised much but India will need to spend 10 per cent of the expected sales value on advertisement in the initial five years. This cost may have to be met in full by the exporters; later on, the expenditure will be less and can be shared 50 : 50 between the exporters and the importer as is the practice in the market.

Once consumers are convinced of the quality, the price will not be a handicap because the buyers generally go by the brand. The following are examples of current prices:

Prices of Electric Appliances in
East Africa

(In Shilling)

<u>Electric Iron</u>	<u>CIF</u>	<u>Retail</u>
British Automatic with cord	40	65
Steam "	60	110
Phillips Steam Automatic	60	120
Convair without cord	15	25
<u>Toaster with Cords</u>		
Japan Automatic	60	100
U.K. "	60 - 70	100 - 120
Phillips "	70	135
<u>Chromium Kettles with Cords</u>		
CHI 14 F 4 pints 3000 watt	80	140
A 323 A 3 pints 1500 watts	65	100

(contd.....)

The above prices are for the well known brands. The CIF prices of other brands from Japan, China and East Europe are much lower and some electric irons are sold in retail at Sh. 15.

One of the best media of sales is the electricity boards as they also sell in retail electrical appliances. They are interested in establishing new contacts too. While some of the distributors like Phillips have their own selling organisations, others sell on sole distributorship and still others through the indenting agents. Bigger firms prefer to import only on a sole distributorship basis, which may be the best strategy for India. Dealing through too many firms may lead to price cutting.

6. Electric Fans

In East Africa, there are wide variations of climate, and fans are not needed throughout the region; demand is mainly in the coastal areas. There is no demand for fans in Nairobi, Kampala or Arusha. As the overall population of the region is small and as some of the big cities do not need fans, the overall demand is small. In 1967, 8,000 fans were imported, roughly half by Tanzania because of its climatic conditions.

Imports of Electric Fans

(Numbers)

Year	Kenya	Uganda	Tanzania	East Africa
1964	2061	765	3844	6670
1965	1234	761	2668	4663
1966	2313	998	5717	9028
1967	2638	1412	3814	7864

Source : East African Customs - Annual Trade Report.

India's share is low (4 per cent). Indian table-fans are not popular; the ceiling fans (specially USHA) are competitive in price and are popular. Table fans are more in demand. Japan has a large market for table fans followed by Hong Kong and China. This is because their designs, colours and performance are far superior to the Indian fans.

KDK from Japan is the most popular brand. The CIF price of 12" KDK table fan is £ 7. The import duty is 30 per cent. Thus, the landed cost is Sh. 182 and the retail price is Sh. 240-250, which means, a mark up of 33 to 37 per cent. Indian prices are also uncompetitive.

Japan sells on order to any one and does not have a sole distributor because of the small size of the market.

Industrial Machinery

East Africa does not produce any industrial machinery & all the requirements are met from imports. With the programme of industrialisation imports are rising. Between 1965-67 imports have more than doubled from \$ 9.8 million to \$ 20.8 million. Due to the rapid development of the textile industry, textile machinery items have priority followed by sugar, paper, coffee and tea machinery in that order. India's share in the total imports is 2 per cent (Table 20) which is very low especially because Indian prices are considered 5-15 per cent cheaper than the prices of other suppliers.

Structure of the Market

Industrial machines (textile, sugar, paper plants, etc.) are generally imported for the new plants under aid programmes or deferred payment arrangements with the suppliers. They normally give credit of 2/3rd of the life of the machinery but usually do not go beyond 15 years. Twenty/twenty-five per cent of the payment is made in cash and the rest in instalments on which 8-9 per cent interest is chargeable. The industrialists and

development corporations of these countries feel that the source of purchase basically depends upon the credit and not on the price. As India does not offer credit her share is negligible.

In the case of replacement parts, imports are generally by European import houses or by the industries themselves through these houses. In these cases the imports are made from original suppliers rather than from other countries. As most of the machines are from West Europe, specially United Kingdom and Germany, they get the preference in the orders for the various parts. Recently there has been some changes in the attitude of the engineers; they may be prepared to buy from new suppliers if they are properly approached by the technical staff of the manufacturers and are convinced of the quality and the price. But the British import houses which still predominate are not prepared to keep a stock of Indian machinery even if they are 5-15 per cent cheaper, they want this difference to be 20-25 per cent.

The provision for after-sales-service is very important; more in this region than in the industrialised countries because of the lack of local technical facilities.

British import houses have these facilities locally and also fly engineers from their headquarters when so required. Even the industrial houses, which have their own technical staff, are not prepared to import machinery unless they are convinced of prompt and adequate servicing when needed.

In the case of textiles, sugar and the tea machinery, the India has a good reputation. But the Government Development Corporations (National Development Corporations, Tanzania Industrial and Commercial Development Corporation) do not think highly of Indian machinery due to the following reasons. First, they are controlled by British advisers who are not prepared to promote machines of countries other than the U.K. Secondly manufacturers of Indian machinery have not approached them properly and generally and have not invited them to India. If the officers of these corporations are invited to look at the working of Indian machinery, they may become interested. Some of them, of their own accord have made this suggestion to the study team.

In many cases, the import of machines is for new plants in the joint ventures. As there is a shortage of

domestic capital the development corporations prefer to buy plants from those who are prepared to supply a portion of the local capital too. In this respect the United Kingdom, West Germany, China and Russia score over India, and they have a substantial share in new plant/s.

In the case of light industrial machinery and spare parts, the practice is to sell from stock or to import through exclusive agents on order. Most of these companies are not prepared to deal in Indian machinery because of ~~the~~ existing arrangements with other suppliers.

Suggestions for Developing Indian Exports

If the Indian manufacturers have direct and regular contacts with industrialists and development corporations it will help. The Japanese export house Mitsubishi Shoji Kaisha (MSK) is interested in developing the exports of Indian textile machinery manufactured with their collaboration, a factor which should be exploited. India must also have effective sales and service facilities. The provision of credit for 5-7 years, joint ventures and the improvement of products are some of the other factors which should receive attention.

Machine Tools

There is no local production of machine tools; the entire need is met by imports.

Lathes

Lathes are the most important item amongst the machine tools and in 1967 the total imports were valued at \$ 1.9 million. Discussions with the trade show that the annual demand for new lathes is below 50 a year.

Total imports of Metal
Working Machine tools

(\$ '000)

1962	302
1963	289
1964	1,928
1965	1,500
1966	1,891
1967	1,900

It is difficult to assess accurately the future requirements. But it is certain that with the programme of industrial development, the demand for lathes will rise and may reach 100 per year, by 1975.

The present need is mainly for 12' and 18' bed general purpose inexpensive lathes. There is hardly any demand for sophisticated lathes produced by companies

like Hindustan Machine Tools, Praga Tools, etc. Cheap lathes specially from Belgium are popular. Some of the manufacturers prefer to buy used lathes from the U.K. because of the price consideration.

Structure of the Market

There are only a couple of firms dealing in lathes; the State Trading Corporation is the most important. In Kenya and Uganda the trade is in the hands of the British import houses, specially Gailey and Roberts Ltd., Dalgety (East Africa) Ltd., Twentsche Overseas Trading Company (E.A.) Ltd. and J.S. Davis. All those and other companies work as distributors for particular companies. They provide after sales service and keep the spare parts. In the case of lathes, generally no stock is kept except that of 12' or 18' bed lathes because of the very small demand. When the indent is given the supply is assured within six months. Virtually no firm mentioned above is interested in dealing in Indian machines, even when they admit that Indian made machines, of similar types are cheaper by 20 per cent. Therefore, India's chief problem will be obtaining proper distributors. Asian traders are not interested in this item.

The C.I.F. price of some of the lathes are as under:

	CIF value per Lathe in Shillings
1) Lathe 'Central' 8½" centre 12' bed - U.K. made	43,000
2) 7½" centre 6' bed (Spain)	19,000
3) 10" centre 12' bed (Spain)	30,000

The retail price is not fixed by the exporters; the distributor is free to change the price as he likes. Some of the firms give two years credit to the buyers.

There is little press publicity but attractive leaflets giving the main features of lathes and their uses are mailed to users. Personal contact is the main method of sale.

Imports

Kenya forms the major market (half the total) followed by Tanzania. India had a fairly good market and her share rose from 4% in 1965 to 6% in 1967.

Imports of Machine Tools for Working Metals

	('000 \$)					
	<u>Kenya</u>			<u>Uganda</u>		
	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Total Imports	658	1109	988	356	299	627
Imports from						
India	3	20	106	3	3	8
India's share(%)	0.46	1.80	10.73	0.84	1.00	1.28

	<u>Tanzania</u>			<u>Total East Africa</u>		
	<u>1965</u>	<u>1966</u>	<u>1967</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Total Imports	486	483	286	1500	1891	1900
Imports from India Negl.	Negl.	Negl.	8	6	23	122
India's share(%)	-	-	1.81	0.40	1.22	6.42

Suggestions for Increasing Exports

India's exports which are negligible now can rise only if proper distribution arrangements are made. The two small scale service institutes which have been opened in Tanzania and Kenya, with a free gift of Indian machine tools, can be a good media of advertisement. There is also the need for regular contacts with the development corporations by the Engineering Export Promotion Council and the STC (stationed in Nairobi) and with the industrialists. Occasional advertising in the press will also help to improve India's image. Grant of credit up to two years and sale on a consignment basis to distributors will also help sales promotion.

Wood Working Machines

There is a good demand for wood working machines because of rapid development of house building activities.

Most machines are imported from Italy and Japan; they are considered the best and the cheapest. No price data could be obtained, but the trade feels that Indian machines cannot sell as they are inferior in quality to those from Italy and Japan and also because the prices they are not competitive. The usual practice is to keep a ready stock of machines and their spare parts. A dealer is able to sell 1 to 2 machines a month. Discussions show that around 100 machines per annum will be required in the future.

Diesel Engines

In Uganda and Tanzania there is hardly any demand for engines for irrigation purposes because of adequate rainfall; in Kenya, there is some need. But by and large diesel engines are needed in East Africa for industrial purposes, in areas where electrical power is not available. With the expansion of power facilities, the demand for diesel engines is declining is made clear in the import data (there is no domestic production). Half the demand is from Kenya because of its greater industrialisation added to the demand for irrigation purposes. If the past is any indication, the market is

a contracting one.

Imports of International Combustion
Engines

	(Numbers)			
	<u>Kenya</u>	<u>Uganda</u>	<u>Tanzania</u>	<u>East Africa</u>
1964	1,093	190	810	2,093
1965	584	385	951	1,920
1966	774	460	645	1,879
1967	1,069	310	516	1,895

Exports from India are nil and the prospects appear to be negligible. Ruston from the U.K. is the most popular brand followed by Petter. The CIF prices could not be obtained. The List price is as under:

	<u>Retail price(Sh.)</u>
8 H.P. Petter	4,200
8 H.P. Ruston	4,200
8 H.P. Other makes	3,600
6 $\frac{3}{4}$ H.P. Petter	3,600

The mark up is one-third of the landed cost and on this basis one may estimate that the CIF price of 8 H.P. Ruston/Petter will be around Sh. 3,000/3,200 and for 6 $\frac{3}{4}$ H.P. Sh. 2,400. J.S. Davis is the most important firm in this line with facilities for distribution all over East Africa; In Tanzania, the STC is the only

other organisation. In Kenya and Uganda, Wigglesworth, Dalgety (East Africa) Ltd. and other firms dealing in industrial machinery, also deal in diesel engines. The most important problem is the getting of proper distributors, who can keep stocks and provide after sales service. Even then it will be difficult to compete with Ruston and Petter, who have well established names and whose machines have a much better finish than India's best engines. It may not be worth the effort and cost to sell diesel engines in this market in isolation. If the market for industrial machinery is developed, as discussed earlier, some diesel engines may also be sold through the same organisation chosen for selling machinery.

Bicycles and Bicycle Parts

Demand

The bicycle is the main mode of transport in rural areas and in each of the last three years, (1966-68), 60,000 bicycles have been added. The following table gives a clear idea of the relative size of the market in the three countries.

Imports of Cycles into East Africa

Years	(Number)			
	Kenya	Uganda	Tanzania	East Africa
1961	6,269	17,000	17,462	40,731
1962	12,035	9,000	20,708	41,743
1963	14,913	16,714	29,708	61,335
1964	18,860	16,714	37,852	73,426
1965	10,140	17,076	22,322	49,538
1966	12,561	20,117	29,083	61,761
1967	16,013	9,972	25,258	51,243
1968 (Jan-Aug)	9,063	9,454	28,326	46,843

Sources: 1. Statistical Abstracts of three countries.
 2. East African Community, Trade and Revenue Reports.

In the future, with the development of roads, the rise in population and the improvement in the level of income, the demand may rise at a faster rate than in the past. It may rise at the rate of 6 to 7 per cent per annum.

With the increasing number of cycles on the road, the need for spares will be greater too.

Supplies

There is no local production of bicycles or spares.

Efforts are being made in Tanzania and Uganda to start a bicycle industry. The Tanzania Government, it is understood, is negotiating with Raleigh but the latter is apparently not very willing to start a factory. At one time the Madhavanis were thinking of starting a factory, but they are not very serious now. Some of the import houses are planning to start the manufacture of certain spare parts.

The high duty on imports may induce them to start local production.

Import Duties

1. Cycles and tricycles	Sh. 45 each or 30 per cent
2. Frames, together with front fork and back stay	Sh. 22 each or 30 per cent
3. Frames, without front fork and back stay	Sh. 14.50 each or 30 per cent.
4. Front forks	Sh.4.50 each or 30 per cent
5. Back stays	Sh.3 each or 30 per cent
6. Saddles	Sh.3.75 each or 30 per cent
7. Rims	Sh.1.50 each or 30 per cent
8. Other parts	30 per cent.

The specific duties imposed do not help a country like India. It is understood that these rates were secured by British interests to minimise the competition with the other countries.

Structure of the Market

In Tanzania the STC is the sole importer. In the other two countries, Raleigh (East Africa) Ltd., is the biggest importer. Besides importing Raleigh cycles from the U.K., the firm is also the sole distributor for two Indian companies, namely, Sen Raleigh Ltd. and T.I. Cycles Ltd., and there have been established in collaboration with Raleigh, England. The firm charges a commission of 3 per cent and sells to a sole distributor who has appointed dealers. Some of the other companies also sell to distributors. Other sell through indenting agents who charges a commission of 3 to 5 per cent. Normally the spare parts are ordered through the indenting agents or the travelling agents of the exporting companies. While bicycles are imported from big manufacturers, the spare parts sold by the small manufacturers are popular because they are inexpensive.

Although imports are channelised through the STC in Tanzania, the source from which they are to be imported is decided by the trade. The STC's only function is to charge 3 per cent commission and put their seal on the import licence application. In Kenya, there is some attempt to Africanise imports through State Trading. KNTC is giving licences to established traders only to the extent of their overall imports in 1966-68 so that additional imports can be arranged through the African traders. In Tanzania the maximum retail price is fixed by the Government for various brands based on the landed cost; in the other two countries, the trade is free to fix its own retail price. Often the importers, the wholesalers and retailers are the same, especially in the chief towns - Nairobi, Dar-es-Salaam and Kampala. There is no fixed margin; it varies according to the brand. It is less on well known brands and more on less known brands from India, Japan or the other countries. The prices are as given below:

Price Structure of Bicycles

(Price in Shillongs)

	Metro (India)	Hind (India)	P.T. Standard (Japan)	Raleigh (English)
CIF price	150	150	160	270
Import duty 30%	45	45	48	111
Other expenses	5	5	5	5
Landed cost	200	200	213	386
Wholesale price	225	230	260	405-425
Wholesale Margin(%)	12.5	15	22	5-10
Retail price	240	280	270	425-450
Retailers margin(%)	6.6	22	5	5

In East Africa, these prices are for a complete bicycle with saddle, tool box and air pump but without a carrier or a light. The table indicates that the Indian price is the lowest. Yet India's share is low.

Imports

Tanzania is the biggest market but India's share in this country is only 5 per cent because of the popularity of Raleigh. In Uganda India's share is only 10 per cent. However, in Kenya India has a substantial share of 38 per cent (Table 21) but considering India's competitive prices, this cannot be said to be satisfactory.

Though Indian cycles are much cheaper than Raleigh, they do not sell well because of the brand consciousness in Tanzania and Uganda. If Sen-Raleigh and T.I. Cycles are allowed to export under the Raleigh, Phillips and other well known English names, India may have a better chance to sell.

India can also improve her trade by better chromium plating and painting and by providing good saddles. There are complaints that Indian frames and tubes crack soon. The sellers have to give a guarantee of 12 months for the frame but there are many cases where Indian frames crack sooner. The period of delivery pronounced by India is not satisfactory and often orders are not dispatched as in time.

In order to overcome brand consciousness it is necessary that heavy advertising is done in Tanzania and Uganda through the retailers, the press, the radio, and the TV. We were informed by the importers that at present India does hardly any publicity.

Cycle Parts

In terms of value, the imports of bicycle parts

valued at \$ 1.2 million in 1967, were only slightly lower than the value of \$ 1.5 million for bicycles. With the rise in the number of cycles on the road, the need for spares parts will continue to grow. However, as there are plans for making some of the parts locally, the overall imports may not rise very fast. India's share has increased gradually from 15 per cent in 1965 to 27 per cent in 1967. The U.K. and West Germany are important suppliers of the original parts. The competition, India has, is mainly from Japan and China. By improving the quality of her goods India can get a larger share in the market. The trade quota of some of the parts is reviewed below. The cycle parts made in India are gradually cheaper except in the case of free wheels, chains, pedals, pumps and bell for which the Chinese prices are fractionally less. Some of the parts like pedals, saddles and where rubber is used the quality of the Indian products is poor.

Rims

Indian rims have a good reputation but are not sold by any brand names. The Indian price at Sh. 12 - 3 d. a pair CIF, is cheaper than the Japanese or the Chinese

prices. The demand for Raleigh rims is small. India has already taken a large share of the market and can gain more by improving the chromium plating.

Spokes

Metro from Bombay is a well known make. The Indian price (CIF) at Sh. 4 -8d., a dozen is cheaper than Sh. 5, a dozen - the Chinese price. However, the Chinese finish is better.

Chains

The CIF price of Indian chains at 2 Sh. 7 d., a piece, is higher by 5 d. per piece than Chinese piece allowing to the quality is considered to be more or less the same. Therefore, it may be necessary to reduce the Indian prices.

Pedals

The CIF price of Indian pedals at 2 Sh. 8 d., a pair, is higher than the 2 Sh. 4½ d., a pair, which is price quoted by China and Czechoslovakia. The quality of Indian pedals is considered very inferior by the trade because of their very short life.

Free Wheels

India the main competitor, where free wheels are concerned, is France; the quality produced by the latter is superior. India has a considerable share however as her prices are lower.

Front Forks

The main competitors in this field are China and Czechoslovakia whose prices at 4 s. 6 d. a piece is 2d. less than that of India. The Chinese finish is superior but the quality of the Indian and the Czech is the same.

Mudguards

The Indian price at 8 Sh. - 6 d. a pair is lower than the China price by 5 to 10 per cent. But the Indian finish is inferior. In spite of this, India has a major share. There is a plan to start production of this item in Uganda, which may reduce the imports.

Saddle Springs

The competition is mainly with the local producers. The wholesale price of Sh. 16, a dozen, is higher than

the CIF price of Sh. 11 - 6 d. per dozen of the Indian springs. Even with the addition of import duty, Indian springs a Sh. 1 a dozen less than the locally produced ones.

Saddles

Indian saddles are not favoured because of the poor quality of the leather and the finish. If we improve these we can have a fair share of this ~~item~~ also.

Other parts

As the Indian prices are reasonable she has a substantial share of the other cycle parts also. There are, however, complaints about the finish and packing and sometimes about our despatching substandard goods.

Tricycles

In East Africa, there is also a good market for tricycles. There are no standard brands. The sales depend on their good finish and designs. Japan and U.K. are the chief suppliers. Indian prices are cheaper but we can sell only if the design and finish are improved.

Summing Up : Bicycles

India offers competitive prices. Proper advertising plus good packing and improving the finish can better her prospects.

Automobile Spare Parts

In East Africa there is a big market for automobile spares. As there is no local production the entire demand is met by imports. In 1967 the imports were valued at \$ 16 million. With the rise in the number of vehicles on the road and few plans for local manufacture, imports should continue to rise. India increased her share from nothing to the value of \$ 190,000 or 1.2 per cent by 1967. Considering the price difference between the original parts and the Indian made parts and the growing demand for inexpensive spare parts, the prospects are bright. Indian prices of certain of the parts are 1/8 of the original. For most of the part Indian prices are one-half or less than those of the British or the German make. Therefore, pricewise India is very competitive; yet India's share in the sales is negligible. It may be possible to get a 10 per cent share by 1975 if the following suggestions

are attended to:

In East Africa there are a large number of models and it will be difficult for India to cater to them all. We should select a few of the parts of selected models on which we may concentrate. We should get specifications and samples of these parts and produce them in good units in a standard form - with quality control and strictly according to the sample shown at the time of booking the orders. Springs, body parts and electrical gadgets should be produced first.

The quality of the technical performance and finish of the selected parts should be improved. Even if this raises the price, we may still be able to sell; in fact we may sell better than the so called cheap but really substandard parts.

Proper sales effort and marketing arrangements and should follow. Indian exporters should visit the market frequently and advertise Indian brands extensively. We should first concentrate on big consumers like fleet owners of trucks and transport companies.

Once we establish a name for springs, the body and electrical parts, we should try to sell the engines parts too. Indian automobiles manufacturers should take an active interest in this line as here again the quality will be more important than the price.

Hand Tools and Small Tools

There is a demand for hand and small tools of all descriptions. There is no local production, except of agricultural tools like powrahs. Imports have risen from the value of \$ 3.9 million in 1965 to \$ 4.5 million in 1967. As can be seen from Appendix 31, Tanzania is the biggest market, followed by Kenya and Uganda. Mechanical and artisan tools are the biggest items accounting for two-fifths of the total value of imports. India's share in total imports is rising but is still very low at 1.7 per cent (1967).

Well-known brands from West Europe and U.S.A. like Hazet, Mator, Bahco, Dowidat, Gedors are very popular. Other English makes also sell well. But because of the price difference and the good finish, the Chinese tools have become popular and are seen everywhere in the shop windows. The retail price difference between

the English and the Chinese tools is very high. For example, in Nairobi the wood chisels $\frac{1}{2}$ " to $\frac{3}{8}$ " from China sell at 2 Sh. each against 12.50 Sh. for the English chisels. Similarly $\frac{5}{8}$ " and 1" wood chisels from England at 15 Sh. is six times the price of the Chinese at Sh. 2.50. Even then many customers prefer the U.K. tools because of the well established brand names. With such a wide price difference prevailing it is not possible to say whether India has any chances. It will depend partly on the price, but the finish and brand names, etc., will probably be equally important. Three of the well-known brands in East Africa, namely, Gedore, Bahco and Dowidat are produced in India. If they are exported they will probably fetch prices only a little lower (5-10 per cent) than the U.K. companies provided they are supported by good advertising and proper sales efforts.

The current CIF prices of some of the tools from China are as given below.^{1/}

^{1/}

We have a complete list of Chinese CIF prices ex-Mombasa/Dar-es-Salaam. It runs into 16 pages and is not possible to quote them here in full.

<u>Selected Chinese Tools</u>		CIF Prices per Dozen in U.K. Currency		
		£	Sh.	d
1)	Combination pliers with side jaws black finish handle 6"	1	0	6
2)	Combination pliers with polish head 6"	1	5	4
3)	Cutting nipples plain handles 4"	1	1	7
	6"	2	6	4
4)	Multi-purpose pliers insulated handle 8"	2	1	3
5)	Pipe wrench 8"	2	17	6
	Diamond Brand 10"	3	6	4
6)	Double open end spanner black finish per set of 6 spanners SAE 5/16" - 7/8"	0	7	9
7)	Engineers' Ball Plin hammer with wooden handle $\frac{1}{4}$ lbs	1	7	6
	2"	4	5	4
	Blacksmith hammer 2 lbs.	2	0	4
8)	Claw hammer with wooden handle all polished 23 mm.	3	4	1
9)	Screw drivers with wooden handle 2"	0	5	4
	4"	0	7	0
	6"	0	9	6
	Firmer Chisel $\frac{1}{4}$ " - 3/8"	0	19	3

Source : The price list of China National Machinery
Import & Export Corporation, Shanghai Branch.

Imports are made directly or through indenting agents. India will have a good chance, both where inexpensive and costly tools are concerned if price and service are made comparable to the U.K. Switzerland and China.

Dyestuffs

In East Africa, dyes are required mainly by the textile industry. One paper mill (Pepeco Paper Industries Ltd., Jinja) now being erected will also require some dyes. There is a plan for a big paper mill in Kenya. Thus, the demand will rise in the future with the growth of the textile and the paper industry.

Wet dyes in bright colours, especially black, red, yellow and blue are needed most. Other colours, of course, are required but individually, in small quantities. Most of the mills buy dyes from a number of companies depending upon their suitability. CIBA, BSF, SANDOZ, ICI and Atul's Sulpha black are popular.

Some of the mills have direct long-term arrangements with the dye producers and they place their orders in bulk annually, to be supplied at specified intervals.

Other mills, which form a majority, buy through local agents. Most of these agents do not keep stocks because of the small size of the market. They make regular contacts with textile and hosiery units and persuade them to place their orders. Generally, one agent has the agency for any one company.

No price data could be obtained but according to some indenting agents Indian prices are competitive. The problem seems to be that the well-known Indian companies have not tried the market. Textile mills complained that dyes manufacturers of India were not sending any literature or visiting them, while technical dyeing experts from other countries visited them regularly. If Indian suppliers contact textile mills and help them in solving the problems faced in dyeing, we can get a substantial share of the market. Textile mills informed the team that the primary consideration in deciding the source was service (help in dyeing problem, timely and regular supply and attending to inquiries) rather than the price; the dyeing cost is small percentage of the cost of cloth. If India stationed one technical expert for the region at Nairobi, he may tour not only the three East African countries but see others too and thus help develop her

exports.

Press publicity plays no part because the number of buyers are few (below 20). Every company tries to promote export through literature, giving full catalogue of colours and other chemicals, produced by it, and frequent visits to the dyeing staff in the textile mills. The same strategy will have to be adopted by India.

India's share at 2,400 lbs. in 1967 or 0.3 per cent of the total is negligible (Table 23). West Germany, the U.K. and Switzerland are the chief suppliers.

Medicines and Pharmaceuticals

Demand

The demand for medicines and pharmaceuticals is rising with growth in income, population, health consciousness and greater facilities provided by Government. As there is no local production, the entire requirement is met from imports which are valued around \$ 10 million. Half of the demand is from Kenya, due to larger income groups and a big inflow of foreign tourists. The requirements have been continuously rising except for a setback in 1967.

Import of Medicines & Pharmaceutical
Products

	('000 \$)			
<u>Year</u>	<u>Kenya</u>	<u>Uganda</u>	<u>Tanzania</u>	<u>East Africa</u>
1961	2,923	1,336	2,072	6,331
1962	3,291	1,308	2,050	6,749
1963	3,648	1,651	2,149	7,448
1964	3,965	1,870	2,562	8,400
1965	4,594	1,885	2,830	9,309
1966	4,590	2,284	3,230	10,104
1967	4,895	2,048	2,657	9,600
1968	3,671	1,621	2,444	7,736
(Jan.- Aug.)				

In terms of quantity the requirements increased because of a falling trend in the prices.

At present medical facilities in East Africa are far from adequate. Therefore, the three countries have large investment programmes to develop their factories. Tanzania plans to spend 20 per cent more every year. In Kenya, the annual expenditure on health will rise from £ 354 thousand in 1965-66 to £ 1.1 million in 1969-70. In Uganda, there is a plan to spend £ 13 million on health during the years 1966-71.

East Africa is a tropical region with temperate sub-regions where the altitude is higher. Virtually all the diseases of both temperate and tropical regions are prevalent. There are thousands of cases per year of contagious and parasitic diseases including malaria, venereal diseases, dysentery and scabies. Digestive troubles, ulcers, diseases of the skin, eye and ear and chest are also widely prevalent. Child mortality is high. The emphasis on the prevention of diseases and private doctors also advocate preventive medicines. The largest imports are of vaccines followed by pencillin, streptomycin, opium alkaloids, etc., and the sulpha drugs (Table 24).

Structure of the Market

Both the private and the public sectors ask for medicines. The Government is the biggest buyer for hospitals and dispensaries. The following data on imports in 1967 give an idea of the direct imports by the Government. The purchase is higher because of the large quantity it buys from local chemists through tenders. It is presumed that in certain drugs like pencillin, vaccines, surgical medicines and pharmaceutical

products, the Government's share is four-fifth of the total; the overall share of the Government is said to be around 60 per cent.

Relative Importance of Government and Private
Importers in Medicine - 1967

(000 \$)

	Total	Government	Private	Govt. as percent- age of the total
1. Vitamins	65	1	65	2
2. Pencillin & other anti- biotics	175	34	141	19
3. Preventive medicines like caffein, quinine, etc.	178	68	110	39
4. Hormones	4	2	2	50
5. Bacterial products, va- ccines, etc.	196	108	88	55
6. Medicament	2578	385	2183	15
7. Bandages	2380	142	2242	6
8. Cotton wool	134	11	123	6
9. Other phar- maceuticals	37	32	5	86

Source: The East African Customs - Annual Trade Report, 1967.

A large part of the Government purchase is under aid or received as gifts. Other medicines and pharmaceutical products are bought on tender, except in an emergency. Before a product is bought, laboratory and hospital tests are carried out. At this stage, convincing the doctors plays a very important role. Once a drug is approved of, purchases are made through recognised local wholesalers on local tenders.

Private imports of all the standard brand products are on the basis of sole distributors. Many such distributors work in East Africa with their headquarters in Nairobi. Orders for certain standard fine chemicals and pharmaceuticals, are placed through local representatives or indenting agents, but such cases are not many. Most of the distributors keep a fairly good stock and some of them do retailing too. The retail price is often fixed by the supplying company, leaving wide margin for discounts, depending upon market conditions.

In East Africa, most of the drugs and medicines are sold on the prescription of doctors. This restriction applied not only to antibiotics, sulpha drugs and poisonous medicines but to most of the others too. Many of the

counter medicines are also purchased on the advice of doctors. Therefore, in the sales promotion, the major campaign is influencing the doctors. For this purpose, sales representatives are appointed who are paid about Sh. 1,000 a month. They go to doctors throughout the country, give them liberal samples and literature and later visit them to find out their reactions. It is said that one representative cannot sell more than two drugs at a time. Thus, it is quite expensive to make a sales campaign effective.

In East Africa most doctors are foreigners and a large number are of Indian origin. Doctors from U.K. and other West European countries recommend medicines from their countries. Some of the Indian doctors prescribe Indian medicines specially to patients from low-income group. In the case of high income group they also prescribe medicines from U.K., Germany, Switzerland. Thus the approach to doctors is effective whether sales are to be made to the private sector or to Government hospitals.

There is no repacking for consumer sale; retail packing is done by exporters. In the case of hospital

supplies there are bulk imports. Labelling and marking are generally in English but recently some of the companies have started using 'Swahili' too, specially on the counter items. For some patented medicines there is a direct consumer appeal through press, T.V. and/or radio.

The distributors normally expect 90 days delivery from the date of order and some of them complained that India has not kept to delivery schedules. Import of bulk items are by sea but costly medicines and non-bulk items are imported by post parcel, sea-mail or air mail depending upon emergency. In such cases quotation must be CIF destination rather than CIF Mombasa or Dar-es-Salaam.

Imports are free of licence and are covered under OGL. Most of the medicines are free of duty. But certain proprietary medicines, white absorbent cotton wadding and first aid boxes are subject to 30 per cent duty.

Some of the firms sell through their subsidiaries like AGECA (East Africa) Ltd. for Italian drugs, and Gerrison Morrison (U) Ltd. (Subsidiary of Unilever) for British drugs. Baker, Pfizer, Glaxo also have their own offices. These companies are not interested in other countries/companies products.

Imports

The overall share of India is 1.6 per cent (1967) but in three years (1965-67) it has doubled (Table 24). The discussion with the trade suggests that conditions are very favourable for India because in many medicines Indian prices are 10-15 per cent cheaper than other suppliers. Lack of interest and want of proper approach to the market is the big hurdle. The following discussion give some idea of prospects in individual lines.

Pencillin and other antibiotics' demand is increasing. According to some importers, in terms of quantity the need is rising at the rate of 30-50 per cent per annum. But, because of a fall in the world prices the value of imports is static. The bulk of the demand is by hospitals who buy through the traders of the local firms. Alembic Chemicals pencillin made in India is known in all the three countries. Alembic pencillin injections are the cheapest in the market. Some items, however, from East Europe are sold 10-15 per cent cheaper. It is said that firms like Hindustran Antibiotics Ltd. do not respond to trade inquiries. In 1967, India had a 5 per cent share in Uganda and none in the other two countries. In 1968,

the position improved. Traders representing Indian firms feel that India can easily get a share of 15-20 per cent if she shows greater interest.

Sulpha Drugs: For sulpha drugs Russia has the most competitive prices quoting Sh. 7.60 C.I.F. per 1,000 tablets of 0.5 gram each.

Vitamins; The value of imports has fallen from \$ 314 thousand in 1965 to \$ 84 in 1967 because of the fall in prices. The C.I.F. prices could not be obtained. The wholesale prices were as follows; if one-third of it is cut it would give a fair idea of the CIF prices.

Prices of Vitamins from Italy (1968)

	(Price per pack)	
	Wholesale Price Net Sh.	Estimated C.I.F. Price Sh.
Vitamin A 300,000 IU I CC 100 amps	35	23
Vitamin A 300,000 IU CC 10 amps	6	4
Vitamin B1 25 mg. 1000 tabs.	40	25
Vitamin B2 10 mg. 1000 "	28	20
Vitamin B6 20 mg. 1000 "	130	85
Vitamin B Complex Fort Caps 100 caps.	206	135
Vitamin B Complex Injection (Strong) 10 cc.	2.95	2.00
Vitamin C 50 mg. 1000 tabs.	20	13.50
Vitamin D2 400,000 IU lcc 100 amps	38	25
Vitamin E 10 mg. 200 tabs.	10	7

	Wholesale Price Net Sh.	Estimated C.I.F. Price Sh.
Multivitamin Fore caps. 1000 caps	120	110
Multivitamin Tabls(Sugarcoated) 5,000 tablets	90	60

Other Medicines: Drugs including specific brands, popular in India are also popular in East Africa. Some firms have made inquiries in India and they feel that the Indian prices are 10-15 per cent less than the prices of the other countries. If Indian firms can export under the same brand names they use in India they can sell very well. Some of the Indian names like Alerbic have become popular.

Clinical Thermometers

The price of Indian clinical thermometers at CIF 70 cents (75 paise) each is much cheaper than the CIF price of 2 Sh. from the U.K. One company imported from India but did not repeat orders because the breakage claim was not paid.

Injection Syringes: Plastic syringes from France are gradually replacing glass syringes from England. Nylon syringes are also used. The wholesale price of 5 cc

syringes was as under:

	<u>Price in Sh. per syringe</u>
All glass central nozzle 5 cc	4.70
Metallic central nozzle 5 cc	5.20
Nylong unbreakable Record or Luver syringe 5 cc	7.75

The CIF prices may be estimated to be 35-40 per cent lower than the above mentioned prices.

Surgical Instruments: No information on prices could be obtained, but it is understood that Indian prices are much less than the English or the German. Indian items are not liked because doctors do not find them dependable. It will be possible to expand the sales by improving the quality, especially the sharpness and the finish.

Summing Up

India has a good chance, especially in antibiotics, sulpha drugs and vitamins, if the well-known Indian companies take an interest and make maintain contacts with the chief medical purchase officers of the Government of the three countries. Regular visits to the market will also help. There is a need for large scale initial advertising in the case of some medicines, which may be

50 per cent of the expected sales value to begin with but may drop to 10 per cent of the sales value subsequently. Timely supply and proper presales service to distributors will help in obtaining stronghold.

Chemicals

The need for chemicals is dependent on industrial development. At present there are only a few industries which require small quantities of chemicals (textiles, glass, paper and soap). Some chemicals are needed for water purification and other hygienic purposes. Except for soda ash, there is no local production of chemicals because of the small size of the market; there is no immediate plan for domestic production. Thus the future demand will continue to be met by imports (Table 25).

Caustic soda is the most important in value costing \$ 5.2 million out of a total of \$ 11 million.

Structure of the Market

Most of the importing chemicals is done through the indenting agents. They charge a commission of 2-3 per cent. Some of the industrial groups like the Mehta's

and the Madhvanis import directly. Discussion with the importers and users indicate that direct contact with the users may help the developing exports from India - especially items in which India has very little experience in East Africa.

The following pages show what the prospects of major chemicals are:

Caustic Soda is required mainly by the textile and soap industries. In Uganda, a paper mill (Pepco Industries Limited) with a capacity of 7,000/8,000 tonnes a year has been erected. Of this mill needs caustic soda of 98/99 per cent purity, in drums of 400 kgs. There is no local production and the entire demand is met by imports which are about 1,000 tonnes a year. The C.I.F. price is £ 26 per M.T. U.K., West Germany and Japan are the chief suppliers.

The market is likely to expand in the future considerably with the development of textiles, paper and soap industries. India does not have any prospects unless the price is competitive. The following firms, however, showed interest in the offers from India.

1. Ageca (Kenya) Limited, Box 11228, Nairobi
2. Industrial Distributors Ltd., Box 12030, Nairobi
3. Pepco Industries Ltd., Jinja (Uganda).
4. Zurobi Limited, Box 1428, Nairobi

The textile mills should also be contacted to develop exports.

Bleaching Powder is used mainly by the sugar and textile industries. There is no local production and import data are not available separately. The Indian price at £ 52 per tonne c.i.f. is lower than the £ 56 per tonne the European price. Therefore, India can have a good share of the market. This is a new area for India and towards the end of 1968 an order was placed with DCM through the STC. If this order is executed satisfactorily there are chances of India getting a good share. Proper packing and timely supply will help in developing exports. The size of the imports will grow with the rise in sugar and textile industries.

The sugar industry requires 35 to 37 per cent active chlorine stabilised powder in packings of 50 kgs. net. The Madhvanis group need 11 tonnes per year for

its sugar factory in these countries. The Mehta group also needs 5-6 tonnes a year for their sugar factory. Direct contacts and regular and timely supply will help India capture the market. Cultivating the purchase departments of these factories is also essential.

Chlorine : There is a small market for chlorine-around 70 tonnes a year. Out of this, roughly half is in Tanzania. The U.K. has a virtual monopoly. India should be able to get into this market because of the freight advantage. The imports are in returnable cylinders. The CIF price is 40 cents a pound in 153 lb. cylinders, i.e. excluding the price of the cylinder. The wholesale price is 99 Sh. for 153 lbs. There are also some imports in steel drums of 792 lbs which sell at Sh. 2,730 a drum.

Acids: There is very small demand for each acid separately. Only sulphuric acid is produced locally. Imports are free of duty. Separate import data on the various acids are not available. In 1967, the total imports were valued at \$ 350,000. Out of this 40 per cent was imported from U.K.; West Germany and Israel are the other important suppliers. India's share was only of the value of \$ 3,000 in 1967.

The data on the requirements and the c.i.f. prices were not obtained. In December 1968/January 1969, the following were the wholesale prices in Nairobi. The mark-up and the cost of transport is around 15 per cent. On this basis the c.i.f. prices may be estimated as given in the last column.

Product	Packing	Wholesale price in Nairobi (Sh. per pack)	Estimated c.i.f. price (Sh. per pack)
1. Hydrochloric acid 37% and SG 1.18	13 gln drum	130	110
2. Phosphoric acid 83% H_3PO_4 BP Quality	100 kg drum	409	355
3. Acetic acid 99/100 BP of Glacial Polythene container	25 kg.	55	46

Source: Based on prices supplied by the Industrial Distributors Ltd., and the discussions with them.

Other Chemicals: The demand for the other chemicals individually is small and English chemicals are preferred. The exact CIF prices could not be obtained; the following rates based on the wholesale prices, trade mark up and other costs give a broad idea of the c.i.f. prices (ex-Mombasa) in packings of the popular size.

Price of Chemicals

(Price per pack in Sh.)

Chemicals	Packing	Wholesale price in Nairobi	Estimated c.i.f. price
1. Aluminium sulphate 17/18% power technically iron free	220 bag	80/90	60/80
2. Calcium chloride solid 72/74%.	845 drum	276	220
3. Calcium chloride Flakes 77/80%.	440 drum	198	170
4. Hydrogen peroxide 50%.	112 Steel return-able drums	150	130
5. Sodium bicarbonate DA B 6 Quality	112 bag	40	34
6. Sodium sulphate	100 kg. Jute bags	94	80

Summing Up

India has almost no share in chemicals because no serious effort has been made to cultivate this market. Regular and timely supply and good packing are very important. Proper efforts through agents and direct contacts with purchase departments of the leading industrial units will help. India's main competitor will be the United Kingdom, which has well established connections. With aggressive salesmanship coupled with 5/10 per cent price discount and good service, India can hope to have a good share of the current U.K. business.

Rubber Tyres and Tubes

There is no local production of automobile tyres. Tyres are provided along with the automobiles when newly purchased. Therefore, the need is only for replacement of the tyres and tubes which is estimated as under (based on imports).

Present estimated demand of tyres and tubes for automobiles

(1965-67, Average)

Number '000

Motor vehicle tyres	258
Tyres of tractors, bulldozers, etc.	11
Motor vehicle tubes	275
Tubes for tractors, bulldozers, etc.	7

The number of automobiles on the road has gradually increased from 165 thousand in 1960 to 248 thousand in 1967 showing a rise of 50 per cent. Because of the rise in income and with the development programmes for roads, the improvement of road facilities, the growth of industries, etc., the demand for automobiles may grow faster than in the past and the need for tyres and tubes also can be presumed to increase. If the demand for automobiles rises at a rate of 7 per cent per annum, by 1975, 273 thousand tyres and 291 thousand tubes will be needed for motor vehicles. Demand for tractor tyres

and tubes will also grow with the increase in demand.

Cycle tyres and tubes are produced locally but as data on its volume is not available. It is not possible to estimate the total demand.

In East Africa there is no restriction on the imports of trucks, motor cars, or station wagons. Thus, there are a large number of models on the road. This has created a need for many sizes of tyres and tubes. For example, Dunlop retails 70 sizes of car tyres, 9 sizes of light truck tyres, 6 sizes of van tyres, 15 sizes of truck tyres, and many sizes of tractor and earth mover tyres and equally many sizes of motor cycle tyres. Many of these sizes are in 4 ply and 6 ply and others are in 8, 10, 12, 14, 16, 20, 22 plys and, some are rayon cord and nylon cord tyres.

The trade, however, feels that in the case of truck tyres 15" rim is the most wanted. Some of the other sizes demanded regularly are:

POPULAR SIZES OF TRUCK TYRES

825-20	12 and 14 ply
900-20	"
1100-20	16 ply
1000-20	12 ply

In the case of motor tyres 10", 12", 13", 14" and 15" are the most popular in sizes 520, 590, 600 in 4 and 6 ply. Both rayon and nylon cord tyres are popular but the latter are more so. Rayon cord tyres are 5-10 per cent cheaper.

The Structure of the market

Most of the companies (except Dunlop in Tanzania) work on the basis of East Africa as one unit. The well known companies generally import on their own account and sell to dealers who are often granted a credit of 90 to 105 days. The same retailer deals in tyres from a number of companies. There is a cartel among foreign suppliers, but there are a few countries like Israel who sell below fixed prices. The retail price in the past used to be fixed on the basis of 80 per cent mark up on the landed cost of the most expensive of the importers. But due to the competition from non-members of this cartel, the mark up has been reduced to 60 per cent. Discounts differ according to the popularity of the company. Michelin which is the most popular tyre does not give any discount to consumers while others allow a $2\frac{1}{2}$ per cent discount. Fleet owners get a discount of 15 per cent and dealers,

21 per cent on the listed prices. Some of the bulk buyers like the Government departments get a higher discount than the dealers (20-30 per cent). At the end of the year dealers get an additional commission if their sales are higher than their targets.

Michelin, Dunlop, Goodyear, Firestone, the India-Super are the popular brands in the discenting order. Universal, Avon and Israelis are the others in the market. The sale of any particular brand depends basically upon the mileage it gives, the credit facility offered by the dealers, and the discount given on the list price. Michelin from France sells most because it gives the largest mileage (35-40 thousand miles). Indian tyres should give a mileage above 30,000 in order to be sold here. Most of the companies give a guarantee against all manufacturing defects; if the tyres crack, the company agrees to replace them.

All companies try to supply the full range in order to prevent a customer from going to other companies even for the odd sizes. The grant of credit in for a period of the six months by dealers to the consumers, also plays a role. There is a considerable amount of advertising

in the press, radio and a display of hoardings, the cost of advertising is met in full by the local subsidiaries of the foreign companies like Dunlop (East Africa) Ltd.

Some of the parties contacted feel that the Indian made tyres are better and give a longer mileage than the British tyres, but India has apparently made no sincere effort to sell in this market. At the same time these traders feel that companies like Mansfield, Coats, and Inchek, who are outside the British group of Dunlop and Goodyear, can sell well, if the proper market techniques are followed.

Prices

The CIF prices of popular brands like Michelin, Dunlop and Goodyear could not be obtained; the CIF price of Universal Tyres imported from U.S.A. are as under:

	CIF prices per tyre from US (£)
900 x 20	91.64
825 x 20	75.50
1100 x 20	101.56

The retail prices of tubes are 60 per cent higher than the imported prices. On this basis the prices of some of the popular sizes could be worked out as shown below:^{1/}

	Estimated CIF price of tubes - Price(in Sh. per tube)
900 x 20	65
825 x 20	40
1100 x 20	50 - 60

Imports

Imports of tyres and tubes are subject to the following revenue duties:

Import Duties

- | | |
|--|------------------|
| 1) Tyres & tubes for road
motor vehicles & bicycles | Sh. 1.50 per lb. |
| 2) Others | Free |

The import of motor vehicle tyres has increased and was 265 thousand in 1967 (Table 26). There were no imports from India until 1966, but in 1967, 4,000 tyres were imported a share of 2 per cent. The main competitors

^{1/} The complete list of retail prices is with us.

are the U.K. and France. If India's prices are the same, and if Indian tyres can give them maximum mileage India can gain a substantial share. In the case of truck tyres and tubes, India's share is nil. Her share in motor tubes is even less than in tyres. When bicycle tyres and tubes are concerned India's position is better (9 per cent in tyres and 5 per cent in tubes). It can be improved further if nylon cord tyres are supplied.

Suggestion for Export

The best method of sales promotion would be by persuading the Dunlop (East Africa) Ltd., to import tyres from India, whenever they find it cheaper to do so. But the market distribution, Dunlop see to the supply capacity of their parent company first and import from the other sources only when the parent firm cannot supply any of the tyre. There is hardly any chance of a change in this policy. Therefore, the other Indian manufacturers should be encouraged to export their tyres. Quite a few firms in East Africa showed interest in becoming the distributors for Indian tyres (e.g., Tanganyika Tyres Retreading Company, Tanzania; Gian Motors, Uganda; ECTA Ltd., Uganda & Kenya). If proper arrangements are made with them

and the others and the consumer prices are kept 5 per cent lower than the better known suppliers, and provided publicity and credit are also arranged satisfactorily. India can aim at getting 10 per cent share by 1975.

Paper

Demand: East Africa has a small but growing market for paper.

Imports

('000 \$)

	<u>Kenya</u>	<u>Uganda</u>	<u>Tanzania</u>
1950	1.6	1.0	0.6
1960	7.2	1.2	1.4
1965	1.8	2.0	2.6
1966	12.7	2.5	3.2
1967	13.4	2.8	3.1
1968 (Jan.-Aug.)			

The largest demand is for kraft paper and then the printing and writing paper; the demand for newsprint is small because of the small circulation of newspapers. The need for writing and printing paper and newsprint is expected to rise faster than the requirement for due to industrial paper, due to the rise in literacy rate and income level. The overall demand is expected to rise 4/5 per

per cent per annum, and that of printing and writing paper 5/6 per cent per annum.

Supply: At present, there is only one small paper mill in Kenya (Thika) which produces 2,400 tons of wrapping and kraft paper a year. This is based on waste paper. A Paper mill (Pepco Industries Ltd.) is being erected in Uganda (Jinja) with an annual capacity of 6,000 tons for producing writing and kraft paper. These are made of imported pulp for Sweden and is likely to go into production by the middle of 1969. This mill has a plan to start pulp production after 4/5 years and expand its capacity of paper making by 20 - 25 per cent in the next five years. There is no paper making unit in Tanzania at present.

East Africa is rich in forests and has a long range plan for developing a substantial paper industry. The international Finance Corporation has given a loan to the Kenya Government for a paper plant in which India will be investing Rs. 5 crores, through the Birlas. It will have an annual capacity of 100,000 tonnes and is likely to go into production in 2/3 years. Tanzania has a long-term plan to start a plant to produce 132,000

tonnes of kraft pulp by 1975. When these plants become active East Africa may become self-sufficient in most varieties of paper; but import of newsprint, tissue paper and any special kind of paper will continue even after 1975. Thus, the imports will be quite in the next 5/6 years through perhaps at a falling rate.

Structure of the Market

In East Africa, industrial paper (specially kraft paper) is required by paper converting units, for the making sacks for cement, sugar, fertilisers, etc. These units have well established connections with the foreign suppliers, mainly with the U.S.A. and the Scandinavian countries, and they buy kraft paper from them directly or through the local indenting agents.

Writing and printing paper is imported by printers and publishers as well as by the wholesale merchants. Some of them buy through their London agents, others through indenting agents and still others directly from the manufacturers. At times the same importer uses different methods, depending upon the source of the supply. For example, one firm, while ordering from the Scandinavian

countries, makes inquiries and places orders through the London agents but while buying from India, places orders directly with the manufacturers. Generally speaking, importers prefer to buy through the indenting agents, local or foreign, because, from the same source, they get the quotations from a number of countries/firms. It is easier for them to make quick decisions without involving much expenditure. When purchasing through London agents, the complete process of inquiring and placing an order is completed within 2/3 days; it is said that the Indian suppliers take a much longer time. In one instance, a firm informed the study team that they made simultaneous inquiries from the U.K. and India; the U.K. firm replied within a couple of hours giving full details of the prices and the delivery period. Indian prices were lower but by the time the reply came the order had already been placed elsewhere.

Paper converters, printers and wholesalers generally keep a stock of what they require for about 4/6 months. They insist that, along with the price, the delivery period should be given and adhered to, as otherwise it would affect their production and/or sales programme. Here again, they have complaints against the Indian suppliers. It was reported to the study

to the study team that an order was placed with an Indian paper mill in August 1968, for a supply to be delivered within two months, but till the end of December 1968, no shipment had been made nor any reply given for the delay.

Imports

The Indian share at 0.7 per cent is very low and is mainly confined to printing and writing paper (Table 27).

Printing and Writing Paper: The demand for printing and writing paper is around 10/12 thousand metric tons per year; more than half (7,000 tonnes) is from Kenya. The requirement has risen from 7,000 tonnes in 1951 to 12,000 tonnes in 1967 or at the rate of 3.4 per cent per annum; this is due to a rise in income, literacy and population. According to trade estimates, during 1968-75 it will rise at the rate of 5 per cent per annum. Thus, it may reach 18,000 tonnes by 1975. How much of this will be produced locally is not certain. In Uganda, supplies may reach 5,000 tonnes by 1975. Therefore, even if the Kenya plant does not come into production, imports may not rise. Hence India will have to get a share in existing imports, i.e., mainly from the shares

of Australia, Czechoslovakia, Netherlands and Norway.

Australia is the biggest supplier because of the good quality of paper and the short delivery period, but Czechoslovakia is the cheapest. In January, 1969 Czechoslovakia quoted the price £ 97-17 per ton for white printing paper. The Chinese price is the same as the Czech price but the importers do not like to deal with China. The paper from the Scandinavian countries is superior and its strength and whiteness and uniformity are liked even at a 10-15 per cent premium over the Czech paper. The Indian quality (whiteness) is inferior to her competitors but Indian paper can sell well if prices are made equivalent to the Czechoslovakian paper. The prices of some of the varieties were as under in December 1968 and January 1969.

	CIF prices per long ton in Bri- tish currency	
	£	Sh.
Bank paper - Australia	143	0
Bond Paper - Norway,	144	0
West Germany	130	0
Machine finished printing		
Czechoslovakia	97	17
Rumania/Japan	100	0
Australia	144	0
Offset printing		
Czechoslovakia	102	18
West Germany	133	0
Sweden	133	0

		CIF prices per long ton in Bri- tish currency	
		£	Sh.
Manifold	China	130	0
	Czechoslovakia	130	0
Art printing	Czechoslovakia	150	0

India can definitely expand her export of printing and writing paper to this market specially if the whiteness is improved, prompt reply is given to the inquiries and supplies are made, according to the agreement.

Kraft Paper:

There is a large demand for kraft paper in East Africa for the manufacture of sacks for cement, sugar, fertilizer, etc. There is one small mill in Kenya which produces inferior quality kraft paper. The superior quality is imported mainly from the U.S.A. , Finland, Sweden, Canada and Australia. Of this, the most important item of paper import(24,000 tonnes in 1967) into East Africa, India has no share. The quality of the Indian paper is reported to be inferior to that of paper from the U.S.A. or from other suppliers and, therefore it is

said that India has very little chance of getting into the market. The average CIF price in 1967 was £ 84-0-0 per tonne from the U.S.A. and £ 74-0-0 from Finland.

Other Papers

The demand for other types of papers is small; except for some carbon paper and exercise books. India has no market. India may be able to get some business if the prices are more favourable.

		The CIF Prices per <u>Long Ton in</u>
		Sterling £
M.G. Plain - 50 gm.	Norway	81
M.G. Ribbed - 70 gm.	Australia	£ 88 to £ 89
Strawboards -	Holland	45
Duplicating Paper -	Norway	100
Manila -	Norway	105
	West Germany	105
Newsprint -	Rumania	64

Spices

Demand

Spices are used mainly by the Asians in East

Africa, where population in 1967 was about 400 thousand. The total requirement, therefore, is small. The data on production and imports are not available for the various spices separately so it is not possible to estimate the demand for the different varieties. Africans have started using certain spices especially ginger (in tea) and turmeric, Sophisticated people use curry powder too.

If the Asian population declines the need for these spices will fall proportionately. Long term prospects will depend upon the local people taking to spices.

Supplies

Till three or four years ago all the demand was met by imports, except in the case of chillies; this is produced in plenty in all the three countries. In recent years, the local production of ginger and coriander has started and is replacing the imports. So far they are not comparable to the imported variety in appearance, flavour or in pungency. But because of their low price local varieties are now popular. Uganda has grown turmeric

successfully but does not know how to process it. Uganda has plans which will make her self-sufficient in spices (except pepper) in the next five years or so. In order to help such developments there are plans to restrict imports.

Imports

The total import of spices in 1967 amounted to \$ 558,000 (Table 28). India's share in this was two-thirds, Pakistan, Ethiopia and Singapore are the chief competitors. The Indian quality is generally preferred; the problem of maintaining and expanding the share lies in the price. At present the Indian prices are higher as can be seen from the following data:

C.I.F. Price of
spices in East
Africa in Nov./
Dec., 1968
Prices per tonne

Turmeric

India	U.K. £	239
Pakistan	"	150

Black Pepper

Fair Average Quality (F.A.Q.)

Singapore	Sh.	2,000
India	Sh.	4,275

C.I.F.. Price of
spices in East
Africa in Nov./
Dec., 1968

Prices per tonne

Methi

India	£	208
Pakistan	£	150
Ethiopia	£	98

Ginger

India	£	178
Pakistan	£	150

Summing up

India's greatest advantage in the market is the preference for the quality of her products which enables her to maintain the major market share despite lower price offered by her competitors. However, the long-term prospects are not bright because of the fall in the population of Asians and the rise in local production.

Tea

All the three countries produce tea and are India's competitors in the world market. There is no import by Uganda or Tanzania. Kenya imports a small quantity for blending purposes. This is also declining and may dwindle to nothing in the next couple of years.

As regard imports from East African Community, India could explore the possibility of taking more of hides and skins, cashew nuts, raw cotton, sisal and pyrranthum.

Chapter 7

EXPORT PROSPECTS TO GOVERNMENT AND EAST AFRICAN COMMUNITY

In East Africa, the Government is a big importer, accounting for 17 per cent of the total imports in Kenya, 13 per cent in Uganda, and 11 per cent in Tanzania (Chapter 4). The major importing agencies of the Government and the items imported by them are as given below:

<u>Government Agency</u>	<u>Items imported</u>
1. East African Railways Corporation, Nairobi (Kenya)	Railway equipment
2. East African Harbours Corporation, Dar-es-Salaam, Tanzania.	Port equipment
3. East African Post & Telegraph Corporation, Kampala, Uganda.	Post, telegraph & tele-communication equipment.
4. East African Airways Corporation	Aeroplanes & other equipment for airports
5. Electricity Boards of Uganda, Kenya & Tanzania	Equipment for power generation and distribution.
6. Central Tender Boards	All other items which have to be imported through tenders.
7. Superintendent of Stores	All items without tenders.

India has no prospects at present of selling any equipment to the East African Airways Corporation. Export prospects of some of the items which are of interest to the public sector such as electrical machinery, iron and steel, paper, rubber goods, jute bags, medicines, industrial machinery, etc., are discussed in Chapter 6, and problems of selling them to the Government are the same as selling them to the others, except when Government imports are under aid programmes or given as gifts. It is not possible to discuss the chances the other goods have, but it may be emphasised that, if we can develop good relations with the purchase departments of the Government and match our credit, prices and servicing with the competitors, it will be possible to sell the goods to the Government departments, especially in Tanzania and Uganda, where there is great good-will towards India. There is also good chance to get service contracts for the railways and water supply departments, both for the Government and the Private Sector. This is discussed in Chapter 8.

Railways

In East Africa, at the end of 1967, there were 4367 miles of railways. Between 1964 and 1967 there has been hardly any extension (except sidings):

<u>Year</u>	<u>Rail-Mileage</u> (including siding)
1964	4330
1965	4364
1966	4363
1967	4367

Source: East Africa Railways & Harbours - Annual Reports 1965-67.

The study team understands that during 1968-71 there are no plans for any extension. Thus, India cannot hope to sell track materials, except for replacements and improvements. What the annual requirements would be in the next couple of years could not be learned. In 1967, the expenditure on maintenance and minor renewals of the present tracks amounted to £ 1.1 million (East Africa) and the imports amounted to \$ 2.9 million. Imports by the railways are rising at the rate of 10 per cent per annum and continue to rise at this rate for the next

few years. India does not export rails but only a very small share of sleepers and other track material. The Indian prices of track material have been the cheapest and some of these have been purchased. However, the railways have had sad experience with some of the Indian casted parts. According to the general manager of the East Africa railways they had to reject 75 per cent of the Indian supplies.

Wagons

With the development of the economy and a large quantity of coffee, cotton, tea, etc., offered for export, the volume of traffic is expanding. To cope with this traffic, a number of new wagons was put into service during 1965-67.

Number of new wagons put in service

1965	154
1966	394
1967	1,321

At the end of 1967 the following orders were pending with the suppliers:

	<u>Number of wagons</u>
Four wheeled open wagons	304
Bogie covered goods wagons	347 (100 with 20 sliding door)
Low sided wagons	120
High sided bogie wagons	100
High sided bogie wagons with sliding roof	35
Petroleum tankwagons	50
Liquified petroleum gas bogie tank wagons	3
Mechanically refrigerated bogie wagons	6

In the future, besides the railway wagons, there may be increased demand for bulk cement wagons, cattle wagons, refrigerated wagons and steel tanks for milk. With the progress of development in sugar marketing, open wagons for sugar-cane transport may also arise.

India has been supplying wagons to East Africa through the Textile Machinery Corporation and Jessop and Co., etc. In 1966, India's share in the total imports at 70 per cent (in the number of wagons) was quite high but this fell to 3 per cent in 1967. Some orders are pending with Indian firms and these are to be supplied in 1968-69. In January 1969, 64 wagons from Jessop & Co. were sent on the way. India

was able to compete because of our bid was low and because the credit was provided by the World Bank. The East Africa Authorities are satisfied with the performance of the Indian wagons but are not happy with their finish.

Passenger carriages

There is no demand for passenger carriages. The authorities are improving some of the existing carriages by renovating them but are not buying new coaches.

Locomotives

At the end of 1967, the railways had the following stock of locomotives.

Steam

a) Garrats	107
b) Tender	189
c) Tank	58
d) Diesel	86

In 1965 one new locomotive was put in service, in 1966 nil and in 1967, 16 diesel locomotives. In 1968 an order was placed with West Germany for diesel

locomotives. The authorities are planning to buy more diesel locomotives, subject to the availability of finance. It seems that in future the demand will be only for the diesels, whether new or for replacement.

Suggestions for Increasing Exports to the Railways

"Development expenditure is largely governed by access to external finance^{1/}" In 1965, the railways obtained a loan of \$ 38 million from the World Bank against which India was able to tender and get the export order. The U.K. and West Germany got orders in 1965-67 by granting credit of £ 15.6 million and DM 9 million respectively. India's prospects will depend upon the availability of the World Bank credit and/or her capacity to provide credit. If India can provide 20 years credit at 6 per cent interest per annum with a grace period of say 5-7 years, export prospects can improve to a great extent, especially for locomotives and wagons.^{2/}

^{1/} East African Railways & Harbours - Annual Report 1967, p.8.

^{2/} Based on discussion with the General Manager.

The sale of the railway track materials depends upon close and regular contacts with engineers and the purchase and planning departments in order to emphasize India's capacity to supply such materials. The officials concerned can be invited to India to see for themselves what can be done here.

There is a need for improving the quality of our track material and thus avoid complaints; finish of the wagons also needs attention.

If in addition, India can shorten the delivery period, the chances of supplying more wagons will increase.

Our getting orders for locomotives will depend largely upon the source of credit to East Africa and our convincing the authorities of the suitability of our engines, and our capacity to provide credit.

Railway authorities buy trucks for East Africa Cargo Handling Services Ltd., a subsidiary company. They generally buy them locally. If India develops direct contacts with the authorities, she may be able to sell 12 tonne trucks.

Harbours

Railways and harbours were under a common authority till 1967. In January 1968, harbours came under the control of a separate corporation with its headquarters at Dar-es-Salaam. Mombasa is the biggest port followed by Dar-es-Salaam, Tanga and Matwara in that order. The number of ships which called at these ports and the cargo handled were as follows:

	No. of Ships				Cargo handled Dead weight('000 tons)			
	1964	1965	1966	1967	1964	1965	1966	1967
Mombasa	1548	1533	1506	1963	4081	4512	5012	5101
Dar-es-Salaam	1030	1032	1012	1011	847	922	1388	1809
Tanga	571	526	528	571	223	211	230	253
Matwara	232	205	176	178	133	131	131	154

Source: East African Railways & Harbours - Annual Reports

Mombasa port is fully utilised (99 per cent of the berthing capacity) and, therefore, six additional berths have been planned. Three berths are under construction. The lack of finance is holding up the programme of building the rest. If India can give the credit she can get the

order for construction and the supply of equipment.

Dar-es-Salaam port also has an expansion programme, under which three berths are already being constructed. There is no further expansion programme currently projected and hence India has no immediate prospects of selling any equipment.

More ships call at the ports of Tanga and Matwara than ever before because of the insistence of the Tanzania Government that imports should be through the local ports. At present, however, there is no programme of expansion because the existing capacity is adequate.

Besides, the programme of expansion of berths, the ports are also planning to improve the other facilities. For this and for regular replacement requirements, there will be some need for casted parts, cranes, etc. Regular contacts with the authorities to get advance information in this regard is essential.

Posts and Telegraphs

The East African Post and Telecommunications Administration has had its head office till the end of

1968 in Nairobi, but it now is being shifted to Kampala. In the middle of 1968, the following facilities were available.

Facilities as on 30th June, 1968

	No. of telephones	No. of telegraph offices	No. of Post Offices
Kenya	62,307	154	338
Tanzania	27,871	139	309
Uganda	24,306	47	238

Source: Letter of the Administration in response to our queries.

The existing telephone facilities are inadequate and there are plans for expanding them especially in commercial centres like Nairobi, Kampala and Dar-es-Salaam; the programme is based on a 6 per cent growth rate in traffic, but it is very flexible. The existing manual system is to be replaced by an automatic system by 1970 for which Indian Telephone Industries has an order worth Rs. 75 lakhs. Future orders will depend upon the successful completion of this job. So far India has not succeeded supplying telephone receiver sets, which are mainly imported from Britain and a small

percentage from Japan because these two countries are able to provide the credit, and their designs and colours are approved by the authorities.

In order to get a permanent hold on this market, it is necessary to convince the authorities that Indian equipment, installation and servicing are equal to the world standards. An opportunity has become available to prove our worth through an order for telephone exchanges. The study team understands from the East African authorities that the Indian prices are competitive. Therefore, the only hurdle will be the credit. When purchases are made through the World Bank tenders, it will not be difficult for India to compete. When purchases are through tied aid from the U.K. or other countries, India has no chance unless she is willing to give soft loans.

Chapter 8

JOINT VENTURES & SERVICE CONTRACTS

Introduction

Like any other developing country, East Africa has a dearth of foreign exchange for development. As discussed in Chapter IV, in the future, the position of the balance of payments will be more difficult than in the past, because of the repayment schedule of loans, and the increased requirements for foreign equipment, together with dim prospects of export expansion. In order to overcome the difficulty of foreign exchange, the East African community is keen on getting foreign capital for any industry; unlike India they have no reservations of investment fields for local capital. Exchange control and other policies also encourage foreign investment (see later sections in this Chapter and Chapter III).

In addition to the shortage of foreign exchange, East Africa has no experience in managing industries, except that of sugar and more recently the textiles

industry. Therefore, for most industries, these countries need not only the capital, but the technical and managerial skills and the know-how at all stages, from feasibility studies to operations and sales. For almost every industry they need foreign collaboration, both financial participation and technical collaboration. As this region proposes to set up several industries (textile, paper, light engineering, iron and steel, cement, metal products, small-scale industries) which have been well established in India over generations, India can think of joint ventures with some measure of confidence.

With the development in sectors like power, water, building construction, roads, etc. service contracts also are increasing. There are a couple of local firms (British based or of Indian origin) for doing small jobs on these lines. But all the big contracts go to foreign firms, especially those from West Europe. As wage rates in India are much lower than in the competitive countries, India can get a considerable business in this field also, if the East African authorities are approached in the right manner.

Joint Ventures

Government Policy

The Governments of the three countries have passed Foreign Investments Protection Acts (Uganda and Kenya in 1964 and Tanzania in 1963) to attract foreign capital in the "approved" enterprises. The Acts have not laid down any list of approved enterprises; any enterprise which would further the economic development and benefit the country can be given the certificate of an 'approved' enterprise. The application for 'an approved' enterprise has to be made to the Ministry of Finance on a prescribed form; a specimen of the application form of Kenya is given in an Appendix 11 (the forms of the other two countries are almost identical). The application is supposed to be considered on merit but there are considerable pulls, pressures and favouritism either on political grounds or on monetary considerations. Normally those industries are considered for approval are those which use local raw-material either for import substitution or for export. Industries based on substantial imported inputs are also approved of if they generate employment and benefit the economy.

Once a certificate of 'approved enterprise' has been given it is entitled to the following privileges:

1. No approved enterprise shall be compulsorily taken possession of or acquired without prompt and fair compensation as provided for, in the Constitution. The compensation has to be paid within a period of six months from the date of taking possession and if the affected party is not satisfied, it can appeal directly to the highest court of the land.

2. The 'approved' investor is also allowed to repatriate the profits freely, the approved proportion of the net proceeds of sale of assets, the principal and interest on loans specified in the certificate and any compensation paid under the provisions of the Act notwithstanding the provisions of any other written law.

3. Besides guarantee against nationalisation and free repatriation of profits, certain approved enterprises are at times allowed to import inputs free of duty, for a period of 2/5 years, depending

upon the merits of each case. As on most of the items the rate of duty is 30 per cent, the concession gives a substantial benefit. In order to protect the 'approved' enterprises from foreign competition, when necessary, high ad valorem or specific duties are levied; their interest is further safeguarded through the import licensing procedure or state trading.

4. The Governments of the three countries also allow certain facilities to industries by way of cheap land and power (for bulk users) and initial depreciation allowance (20% in all cases and 40% on ships). These facilities are available to all industries whether they are approved of or otherwise. The governments also encourage double taxation and investment guarantee arrangements with foreign countries in order to attract capital.

5. The policy of the three countries is to Africanise employment opportunities whether an enterprise is 'approved of' or not. An approved enterprise is entitled to bring foreign technical, skilled and other staff where these are not locally available. But the firm has to submit a definite programme of training

local people and gradually (normally in 4/5 years for most of the jobs) they have to be given all positions except that of the chief executive which office can be held by a foreigner as long as the 'enterprise' desires.

6. In Kenya and Uganda private investment is allowed in all industries, but in Tanzania only selected industries are so open.

7. The Governments have not laid down any proportions of foreign and local capital but they prefer the local ownership to be more than half. However, in deserving cases, they allow even 100 per cent foreign owned companies. The three countries would like the same foreign party to provide finance, the technical know-how and managerial skill; they do not like to split these facilities among different sources.

Investment Climate

In the East African countries, there is an acute shortage of domestic private capital and there are very few industrial houses. After the nationalisation of the major industries in Tanzania there is no industrialist left in that country. In Uganda, the Madhvani and

Mehtas, own most of the major industries in the private sector; they have some interests in Kenya and Tanzania also. Most of the industries have been established with foreign collaboration, especially that of the U.K. But in recent years W. Germany, China USSR and the Scandanavian countries have shown considerable interest in establishing industries in collaboration with the Development Corporations.

Most of the private capital is owned by Asians who have repatriated a substantial portion of their assets of safer places in Europe. With a few exceptions, at the moment, they are not willing to invest their funds in East Africa because they are not sure of their future. The local population has hardly any savings and is not very much interested in industries. Therefore, industrial development depends heavily on borrowed resources. These are available without much difficulty from the Development Corporations (long term capital) and commercial banks (short term capital). The foreign participants are also expected to provide a part of the local capital.

There is no stock market in Uganda and Tanzania. The Kenya Stock Exchange also is not very active; one cannot sell or buy shares as and when desired. It is largely done through private negotiations. There is no practice of public issues of capital. Hence small investors cannot directly invest in industries. Local private capital has to be arranged through private negotiations. Thus the capital base in industries is small and difficult to expand.

Development Corporations

In order to overcome the shortage of capital and enterprise, the three countries have established Development Corporations. In Tanzania there are the National Development Corporation (to finance public sector projects) and Tanzania Development Finance Co. Ltd. (to finance projects in the private sector). Since 1952, the Uganda Development Corporation Ltd., has been able to finance projects both in the public and the private sectors in Uganda. Kenya has the Industrial and Commercial Development Corporation and Development Finance Company of Kenya Ltd.

These Corporations act as promoters, financiers and managers of industries. There is hardly any big unit in these countries without the assistance of these corporations. They give both loan and equity capital but prefer to provide equity capital so that they may have a say in the day-to-day working of the concerns. According to the latest available data their investments are as under:

Investment and Advances of Development Corporations
in Industries

Industrial Development Corporation,
Nairobi, Kenya.

As on June 30,
1967 (Million \$)

Ordinary shares at cost
Advances

19.16
12.67

31.83

Uganda Development Corporation,
Kampala, Uganda.

As on 31st Dec.
1967

Shares in subsidiary companies
Loan to subsidiary companies
Shares & loans to associated companies
Other investments

21.78
9.02
4.37
0.89

36.06

National Development Corporation,
Dar-es-Salaam, Tanzania.

As on 30th Sept.
1967

Shares in subsidiary companies
 Loans to subsidiary companies
 Shares in associated companies
 Loans to associated companies

14.48
 1.15
 11.74
 1.67

29.04

Tanzania Development Finance Co. Ltd., Dar-es-Salaam.

As on 31st December 1967 Total 3.1

The main source of funds for these corporations . except the Tanzanian Development Finance Company and the Development Finance Company of Kenya Ltd., is the Government. Their capital is fully owned by the Government, but they can get direct foreign loans or borrow from the local banks. The three Corporations, namely the Industrial and Commercial Development Corporation (ICDC), the National Development Corporation (NDC) and the Uganda Development Corporation (UDC) are purely Governmental institutions which have close relations with the Ministries of Commerce and Industry, and Planning and Finance in the formulation of programmes of industrial development. Whatever industries the

Government feels necessary are promoted through the Corporations. They give full financial backing to all the big projects in the private sector.

The working of these Corporations has not, however, been very profitable. In 1966-67, the ICDC earned a return of only 0.4 per cent; the UDC return has 6 per cent but the NDC earned 13 per cent without taxation. Except in the case of the NDC, in the near future, the plough back of profit will not be a source of capital; they will have to depend largely on the Government or on foreign loans.

The Development Corporations not only provide capital and loans but they carry out pre-investment surveys free of charge, partly on their own initiative and partly at the request of the prospective investors. These surveys estimate the potential demand. They also carry out feasibility studies and prepare project reports.

Investment Opportunities

In the three East African Community countries, in spite of these plans, investment in industries is very flexible; the Governments are prepared to support

any industry which will be viable and benefit the country. The present plan in Tanzania will end in June 1969 and no details could be obtained about the next plan. However, discussions with officials and private traders show that, in the large scale sector, the Government is thinking of a paper plant, an iron and steel plant and a bicycle and tyre unit. The ultimate decision will depend upon the cooperation from the other two partner countries and the availability of foreign capital and know-how. There are also plans for developing food processing and meat preservation industries in Tanzania and the expansion of the existing industries specially textiles and cement. In the private sector, investors are keen on starting many small scale units for engineering items, knitting, garment manufacture, paper conversion, rubber and leather footwear and other products.

In Uganda, the UDC is planning to develop the dairy industry, meat processing, rice production; and the cocoa plantations. She also has plans to erect a super phosphate plant (£ 5½ million), spinning

mill; hotels, iron and steel mill to produce pig iron, hide and skin processing and leather manufacture. The development of the production of industrial estate, bicycles, assembly of automobiles, the making of pharmaceuticals and salt and cashew growing are the other industries Uganda plans to develop. In the private sector, there are plans to develop cable, bicycle, sugar, tea, iron and steel products, castings and metal processing industries.

Kenya is considered the best for investment purposes, because of the location, climatic conditions and the infrastructure. The Government wants to develop fish processing, meat processing and packaging, the manufacture of breakfast foods, the dehydration of fruits and vegetables, cotton, woollen and synthetic textiles excluding rayon, the making of garments, tanning, hard board, furniture, the production of sulphuric acid, industrial alcohol, vegetable oils, building metal products and pipes, agricultural equipment, small handlooms, castings, gas equipment, electric appliances, utensils, fractional horse power electric motors, plastic goods, rubber tyres and tubes, pencils and travelling materials.

Basically the three countries desire to establish import substitution by processing the industries of agricultural products. The major industries of interest to India are textiles, castings, paper, tea processing, sugar manufacturing and the small engineering items. There is no complete or final list of industries. There are only intentions; some of them may not come up at all because of the high cost, low demand, shortage of capital and the shortage of knowhow or managerial skill. If the Indian industrialists can develop contacts with the development corporations of the three countries, the Ministry of Commerce and Industry, and the private sector, they may come across many projects of interest to them. However, there will be many problems for joint ventures in this region.

Problems of Investment for India

There is an acute shortage of capital in this region; therefore, the East African sponsors expect the foreign participant to provide not only the foreign component of the capital by way of plant and equipment, but a part of the local fixed capital also. China and

Russia have provided local capital by exporting their consumer items. When the consumer items have been sold under special arrangements the sale proceeds (CIF price) are deposited in a special account which is their share in the local fixed capital. West European countries have provided the local part of the capital by providing free foreign exchange.

India does not allow export of cash and hence it will be more difficult for it to participate in industries in collaboration either with the private or the public sector.

The industrial base in the region is small and the size of the market also is small and these hold back prospective investors. Once a fair size unit is set up in any of the three countries, it becomes more than adequate for the entire region, except in a few export items or in products like the textiles. In export items, it is generally not possible for E. Africa to compete in world markets because of the high cost of production due to higher wages (normally double of India), lower productivity (than India) and the small size of units.

The opinions of the Government and the industrialists differ with regard to the industrial prospects of the country. For example, the Uganda Government intends to start four new units for sugar mainly for export purposes but several industrialists feel that it will not be possible to export sugar at all, because of the expenditure involved.

Moreover, the intentions of the partner countries in any of the fields are not definitely known. The same industries are started in all the three countries with apparently no consideration of the East African Community's future in mind. Therefore, one has to make one's own assessment of each prospective industry through detailed investigation. Only in the case of those industries whose local demand in one country is adequate-mostly small scale engineering items - one can start an industry safely on the basis of assured protection.

There is a definite policy of Africanisation and the industrialists (even local) do not have complete authority in the staffing of the units. The Ministry of Industry and Commerce is quite liberal in allowing the

employment of non-Africans, but there is lack of cooperation from the Immigration Department. Therefore, it is necessary that in the initial stages all the relevant points are clearly laid down; otherwise it may be difficult to employ non-Africans at a later stage even when it is necessary to do so.

The Foreign Investment Protection Act no doubt guarantees a fair and prompt compensation, but what is 'fair' has to be decided by the Government. If possible the basis of compensation should be settled at the time of agreement.

The repatriation of profit is allowed out of the current year's profit, up to 100 per cent. But the Government feels that it should not be excessive and that a part of it should be ploughed back. It is felt that in the future, repatriation of profit should be restricted to a sum the Government thinks proper.

Royalties are not covered under the Foreign Investment Protection Act and the Exchange Control Department allows only such amounts as it thinks is

reasonable. If the Exchange Control authorities feel that the rate is more than commercially proper, it can refuse such a remittance, even if there is an agreement between the two parties. In order to avoid this possibility, it will be necessary to bring the Exchange Control department into the picture at the time of an agreement.

The Foreign Investment Protection Act does allow the free remittance of the compensations paid. But if one decides to sell one's undertaking one will be allowed to repatriate the sales proceeds only in such instalments as deemed proper by the authorities. It appears that it is possible to agree upon this in advance, at the time of negotiation for the project.

In addition to the points discussed, it will be helpful to consider the following suggestions to promote joint ventures and to protect the investors' interests.

1. Whenever investment is contemplated by the importation of goods or the introduction of know-how, it will be very much in the interest of the investor

to inform the treasury and the exchange control authorities, of the joint venture proposal and its terms and get their approval.

2. The Development Corporations should be preferred to be the full local partner in the joint venture as they have the Government backing and are interested in big projects.

3. India should enter into investment guarantee agreements with these countries to protect the Indian investors' interest in the approved enterprises.

4. There should be a continuous and close contact with the Development Corporations, the Ministry of Commerce and Industry and the industrialists, to find out what are the projects of interest to us.

5. Negotiations should be entered into, only when we are serious about a proposal. The authorities in these countries and the industrialists complain, that the Indian parties make many proposals initially, but withdraw them later for no valid reason.

Service Contracts

In East Africa, the general practice of the industries is to give service contracts to the same firm that supplies machines and the know-how; it is rarely that these contracts are given to others. However, in public works, it is possible to get service contracts as such. In such cases India is at a disadvantage. Contracts are not given purely on cost considerations. First, the contracting party will have to assure the authorities that it is competent to do the job and, as most of the advisers, engineers, architects, consultants, etc., in E. Africa are from the U.K. or other West European countries, they are reluctant to approve of the Indian firms. It will be possible to overcome this difficulty only by convincing the concerned Ministers and other top African Officers that India is competent to enter such a contract.

For service contracts, one has to deposit earnest money - between 5 - 15 per cent of the value of the work; **this** amount should be remitted from India.

Local machinery items are not available on hire for any work of major proportions. One is required to take one's own machinery and after the job is over, it has to be taken back, unless one expects repeat business. In this regard, India has an advantage because of her nearness to E. Africa and as she can save considerably in freight can quote lower prices for the contract.

Even after the contract is awarded, a number of hurdles are created by the British and other European advisers and this will have to be overcome with proper skill and by sending competent supervisory staff.

The chances of service contracts will be considerably enhanced if India can collaborate with the foreign firms.

TABLES AND APPENDICES

Table 1

GROSS DOMESTIC PRODUCT (1963-67)

(Million \$)

Industry	1963			1965			1966			1967		
	Kenya	Uga- nda	Tan- zania	Kenya	Uga- nda	Tan- zania	Kenya	Uga- nda	Tan- zania	Kenya	Uga- nda	Tan- zania
Agriculture	338	300	390	318	372	371	380	378	407	307	401	412
Mining	5	7	12	4	21	17	5	18	20	5	18	22
Manufac- turing	51	35	22	106	45	33	118	49	40	124	54	44
Construction	32	10	17	38	13	21	47	13	24	57	14	30
Commerce	119	52	72	140	60	92	156	68	107	157	70	109
Rent	51	11	26	55	12	35	59	13	37	64	14	43
Transport, & Commu- cation	81	25	32	97	27	35	111	31	47	118	34	46
Service	144	53	66	172	76	81	189	83	86	208	90	91
Total	851	493	637	930	626	685	1065	653	762	1120	695	797

Table 2

PRODUCTION OF IMPORTANT CROPS (1963-1967)

('000 Tonnes)

Sl. No.	Crops	1963					1965					1966					1967				
		Ken-ya	Uga-nda	Tan-za-nia	Ken-ya	Uga-nda	Tan-za-nia	Ken-ya	Uga-nda	Tan-za-nia	Ken-ya	Uga-nda	Tan-za-nia	Ken-ya	Uga-nda	Tan-za-nia	Ken-ya	Uga-nda	Tan-za-nia		
1.	Sisal	70	N.A.	214	63	N.A.	214	56	N.A.	222	51	N.A.	217	51	N.A.	217	51	N.A.	217		
2.	Tea	18	6	5	20	8	6	20	10	7	29	11	7	29	11	7	29	11	7		
3.	Sugarcane L/	504	124	49	510	126	66	507	135	70	320	138	71	320	138	71	320	138	71		
4.	pulses	12	-	37	13	-	30	19	-	38	25	-	38	25	-	38	25	-	38		
5.	Tobacco	1	1	2	-	1	5	N.A.	2	5	N.A.	3	N.A.	3	N.A.	N.A.	3	N.A.	8		
6.	Wheat	109	-	19	120	-	31	152	-	N.A.	160	-	N.A.	160	-	N.A.	160	-	N.A.		
7.	Maize	212	240	109	131	N.A.	84	131	N.A.	145	232	N.A.	145	232	N.A.	145	232	N.A.	N.A.		
8.	Clean Coffee	36	169	29	39	152	38	51	161	49	49	165	48	49	165	48	49	165	48		
9.	Rice Paddy	12	Neg.	44	14	Neg.	23	16	Neg.	39	17	Neg.	48	17	Neg.	48	17	Neg.	N.A.		
10.	Seed cotton 2/	9	379	29	14	445	33	14	427	49	14	334	48	14	334	48	14	334	48		
11.	Raw Cashewnut	7	N.A.	57	12	N.A.	73	13	N.A.	81	14	N.A.	86	14	N.A.	86	14	N.A.	86		
12.	Groundnut	N.A.	430	20	N.A.	N.A.	9	N.A.	N.A.	8	N.A.	N.A.	10	N.A.	N.A.	10	N.A.	N.A.	10		

* Production Sugar for Tanzania and Uganda.

** For Uganda Cotton production is in '000 bales.

Sources:

1) Background to the Budget of the respective country.

2) Statistical Abstract of the respective country.

3) Ministry of Economic Affairs and Development Planning Dar-es-Salaam

A mid-term appraisal of the achievement under the Five Year Plan, July, 1969 - June 1969.

4) F.A.O., Production Year Book, 1966.

Table - 3

FOREIGN TRADE

(Million U.S.\$)

Year	Kenya			Uganda			Tanzania			East Africa		
	Im- rts	Ex- ports	Bala- nce of trade	Im- rts	Ex- ports	Bala- nce of trade	Im- rts	Ex- ports	Bala- nce of trade	Im- rts	Ex- ports	Bala- nce of trade
1957	201	74	-127	81	128	+47	110	110	Nil	392	312	-80
1958	171	82	-89	76	127	+51	94	117	+23	340	326	-14
1959	172	93	-79	71	118	+47	96	127	+31	340	338	-2
1960	196	99	-97	73	116	+43	106	154	+48	375	368	-7
1961	193	99	-94	74	110	+36	111	143	+32	379	355	-24
1962	195	106	-89	73	105	+32	111	143	+32	379	355	-24
1963	206	123	-83	87	144	+57	113	178	+65	406	445	+39
1964	214	150	-64	92	186	+94	123	197	+74	429	533	+104
1965	249	147	-102	114	179	+65	140	176	+36	503	502	-1
1966	314	175	-139	119	188	+69	178	235	+57	611	598	-13
1967	299	151	-148	116	184	+68	182	218	+36	597	553	-44
Jan.-Aug., 1968	213	112	-101	79	134	+55	142	137	-5	434	383	-51

Source: Annual Trade Report of Tanganyika, Uganda and Kenya,
East African Custom and Excise.

Table 4DIRECTION. OF EXPORTS

('000 US.\$)

To	From	Kenya		Uganda		Tanzania	
		1958	1967	1958	1967	1957	1967
U.K.		23766	36655	23640	42902	39718	65856
Hong Kong		521	944	3304	3920	6160	15576
India		2820	3486	20714	7675	4435	14473
Zambia		N.A.	4768	N.A.	179	N.A.	17170
Belgium-Lux.		1078	1210	2607	1924	5961	5760
China Mainland		577	3058	11	3962	N.A.	7717
West Germany		17360	13745	17354	6530	12502	11388
Italy		1378	4018	4922	4553	2635	5964
Japan		4091	3401	6798	16268	6208	9386
Netherlands		3186	4651	3176	6059	7778	8985
U.S.A.		7140	10094	24433	39438	9038	10920
Total		82040	149553	127145	180981	116844	217498

Table 5IMPORTS STRUCTURE - (S.I.T.C. HEADS)

('000 \$)

SITC No.	Item	Kenya		Uganda		Tanzania	
		1958	1967	1958	1967	1958	1967
0	Food & Ani- mals	11404	12748	2783	6325	11701	12239
1	Beverages & tobacco	2570	1879	658	854	700	1120
2	Crude materials	1742	5474	521	1812	868	1529
3	Minerals	23282	33474	5866	1716	10800	14798
4	Animal & vege- table oils and fats	1142	2428	1039	1397	731	1103
5	Chemicals	12267	22610	5877	8042	6709	11334
6	Manufactured goods	53511	71898	28540	33222	40065	59326
7	Machinery & transport equipment	40998	116183	18796	48014	27908	65957
8	Miscellaneous manufactured articles	11805	19018	7218	9226	8635	10553
9	Miscellaneous transactions	11715	12757	3030	5107	3374	4116
Total		170436	298469	74329	115718	111488	182076

Table 6DIRECTION OF IMPORTS

('000)

Imports By From	Kenya		Uganda		Tanzania	
	1958	1967	1958	1967	1958	1967
U.K.	77624	97969	17536	39880	30834	52517
India	11617	8898	1621	3800	5642	5636
West Germany	13180	29568	3472	14700	4889	11802
Iran	18760	24010	N.A.	745	6129	10489
U.S.A.	7395	21739	739	7795	2164	13829
France	5620	10780	1288	4374	1537	6927
Italy	6048	10861	5543	4328	966	19415
Japan	13026	16316	7689	7440	9783	9271
Netherlands	4791	7910	1268	2806	3030	7454
Belgium	4374	6009	552	2260	1352	1733
Total	215681	298469	44187	115718	80164	182073

Table 7BALANCE OF PAYMENT OF EAST AFRICA

	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
<u>Current Account</u>						
Imports c.i.f.	378.0	397.6	422.8	484.4	602.0	610.4
Exports f.o.b.	372.4	456.4	523.6	487.2	582.4	548.8
Trade Balance (adjusted)	-5.6	+58.8	100.8	2.8	-19.6	-61.6
<u>Invisibles (net)</u>						
Freight insurance on international shipment <u>✓</u>	-	-	-	2.8	2.8	5.6
Other trans- portation	-	-	5.6	11.2	14.0	19.6
Foreign travel	-5.6	-2.8	-2.8	-	16.8	22.4
<u>International investment</u>						
Lucerne	-39.2	-47.6	-53.2	-56.0	-70.0	-67.2
Govt. trans- action n.e.s. (including military) <u>✓</u>	30.8	30.8	22.4	+8.4	+14.0	+14.0
Other services	-11.2	-8.4	-8.4	-8.4	-11.2	-16.8
<u>Transfer Payments:</u>						
Private	-19.6	-22.4	-14.0	-8.4	-5.6	-2.8
Govt.	47.6	28.0	47.6	28.0	11.2	11.2
Total Invi- sible (net)	2.8	-22.4	-2.8	-22.4	-30.8	-14.0

(Contd.....)

Table 7 (Contd.)

	<u>1962</u>	<u>1963</u>	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Gold Production	2.8	2.8	2.8	2.8	2.8	2.8
Capital Movements (net):						
Private	-19.8	-50.4	-123.2	2.8	14.0	14.0
Government enterprises	5.6	2.8	2.8	-5.6	28.0	19.6
Local Government	-	5.6	-	2.8	-	-
Central Govt.	53.2	22.4	-19.6	64.4	72.8	47.6
Total Capital Movements	39.2	-19.6	-100.8	58.8	114.8	81.2
Total Monetary Movements (net)	-8.4	11.2	30.8	-14.0	-75.6	-
Balancing item	-30.8	-30.8	-30.8	-28.0	-8.4	8.4

a/ Provisionalb/ Including insurancec/ Excluding freight and insurance on importsd/ Includes capital transaction of E.A. currency Board, Central Banks (1966 and 1967 only) and subscription to I.M.F.

Table 8

INDIA'S TRADE WITH EAST AFRICA

(Million \$)

Year	Kenya			Uganda			Tanzania			East Africa		
	Expo- 'rts 'to	Impo- 'rts 'from	Bala- 'nce 'of 'trade'	Expo- 'rts 'to	Impo- 'rts 'from	Bala- 'nce 'of 'trade'	Expo- 'rts 'to	Impo- 'rts 'from	Bala- 'nce 'of 'trade'	Expo- 'rts 'to	Impo- 'rts 'from	Bala- 'nce 'of 'trade'
1961	11.2	3.9	+7.3	1.3	18.9	-17.0	6.0	7.1	-1.1	19.1	29.8	-10.3
1962	9.9	2.9	+7.0	1.8	12.8	-11.0	6.3	10.1	-3.8	17.9	25.8	-7.9
1963	11.1	2.7	+8.4	2.4	7.2	-4.8	5.8	7.5	-1.7	19.3	17.4	+1.9
1964	6.6	3.6	+3.0	6.7	13.4	-6.7	7.3	12.0	-4.7	20.6	19.0	+1.6
1965	6.1	3.6	+2.5	5.5	9.8	-4.3	9.5	13.5	-4.0	21.1	26.9	-5.8
1966	9.8	3.9	+5.9	5.5	5.2	+0.3	9.4	16.1	-6.7	24.7	25.2	-0.5
1967	8.0	3.4	+4.6	3.8	7.7	-3.0	5.6	14.1	-9.0	17.4	25.7	-8.3
Jan.-Aug. 1968	5.0	3.1	+1.9	2.6	8.4	-5.8	5.0	7.3	-2.3	12.6	18.8	-6.2

Source: Annual Trade Report of Tanzania, Uganda and Kenya.

Table 9

IMPORTS FROM INDIA

Year	Kenya			Uganda			Tanzania			East Africa		
	Total impo- rts of the coun- try	Impo- rts from India	Per- cent- age share of India	Total impo- rts of the coun- try	Impo- rts from India	Per- cent- age share of India	Total impo- rts from India	Impo- rts from India	Per- cent- age share of India	Total impo- rts from India	Impo- rts from India	Per- cent- age share of India
1961	193	11.2	5.8	74	1.9	2.5	111	6.0	5.4	378	19.1	5.1
1962	195	9.9	5.1	73	1.8	2.4	112	6.3	5.6	379	18.0	4.7
1963	206	11.1	5.4	87	2.4	2.7	113	5.8	5.1	406	19.3	4.8
1964	214	6.6	3.1	92	6.7	7.3	123	7.3	5.9	429	20.6	4.7
1965	249	6.1	2.4	114	5.5	4.8	140	9.5	6.9	503	21.1	4.2
1966	315	9.8	3.1	119	5.5	4.6	178	9.4	4.9	612	24.7	4.0
1967	298	8.0	2.7	116	3.8	3.3	182	5.6	3.1	596	17.4	2.9
Jan.-Aug. 1968	213	5.0	2.3	79	2.6	3.3	142	5.0	3.5	434	12.6	2.9

Source: Annual Trade Reports of Tanzania, Uganda and Kenya.

Table 10

TREND OF EXPORTS TO INDIA

(Million 3)

Year	Kenya			Uganda			Tanzania			East Africa		
	Total expo- rts	Expo- rts to India	Per- cent- age share of India	Total expo- rts	Expo- rts to India	Per- cent- age share of India	Total expo- rts	Expo- rts to India	Per- cent- age share of India	Total expo- rts	Expo- rts to India	Per- cent- age share of India
1961	99	3.9	3.9	110	18.9	17.2	136	7.1	5.2	378	29.8	7.9
1962	106	2.9	2.7	105	12.8	12.2	143	10.1	7.1	379	28.8	6.8
1963	123	2.7	2.2	144	7.2	5.0	178	7.5	4.2	406	17.4	4.3
1964	150	3.6	2.4	186	13.4	7.2	197	12.0	6.1	429	19.0	4.4
1965	147	3.6	2.5	179	9.8	5.4	176	13.5	7.2	503	26.9	5.3
1966	175	3.9	2.2	188	5.2	2.8	235	16.3	6.5	611	25.2	4.1
1967	151	3.4	2.3	184	7.7	4.2	218	14.6	6.7	597	25.7	4.3
Jan.- 1968	112	3.1	2.8	134	8.4	6.3	137	7.3	5.3	434	18.8	4.3

Source: Annual Trade Report of Tanzania, Uganda and Kenya.

Table 11

COMMODITY COMPOSITION OF IMPORTS
FROM INDIA

(Million \$)

Commodity	Kenya			Uganda		
	'1965-	'1966-	'1967-	'1965-	'1966-	'1967-
	'66	'67	'68	'66	'67	'68
1	2	3	4	5	6	7
Rice	-	-	-	0.21	0.9	0.20
Onions	-	-	-	0.02	Neg.	0.02
Spices	0.21	0.17	0.06	0.02	0.08	0.02
Cereals and Cereal preparations	0.11	0.11	-	-	-	-
Cocoa powder, unsweetened	0.06	0.28	0.13	-	-	-
Food preparations, n.e.s.	0.04	0.04	0.02	0.02	0.02	0.04
Tobacco manufacture	0.02	0.02	0.02	-	-	-
Crude vegetable materials	0.15	0.10	0.04	-	-	-
Castor oil	0.02	0.01	-	-	-	-
Dyeing, tanning & colouring materials	0.06	0.03	-	-	-	-
Medicinal and pharmaceutical products	0.06	0.07	0.06	-	-	0.05
Perfumery, cosmetics, dentrifices, etc.	0.11	0.13	0.09	-	0.03	0.02
Toilet soaps, other than dental	0.02	Neg.	Neg.	0.06	0.02	0.03
Manufactures of leather, etc.	0.03	Neg.	Neg.	-	-	-
Rubber manufactures	0.02	0.07	0.05	-	-	-

(Contd.....)

Table 11 (Contd.)

Commodity	Kenya			Uganda		
	1965-	1966-	1967-	1965-	1966-	1967-
	66	67	68	66	67	68
1	2	3	4	5	6	7
Paper, paper board and manufactures, there- of	0.04	0.06	0.05	-	0.01	0.01
Cotton yarn and thread	0.17	0.61	0.07	-	-	-
Coir yarn	0.06	0.05	0.04	-	-	-
Fabrics of art silk, synthetic fibres and spun yarn	0.42	0.41	0.06	0.31	0.28	0.20
Cotton piece goods	2.25	1.62	0.65	0.38	0.30	0.25
Silk fabrics, woven	0.02	0.01	-	-	-	-
Made up articles, wholly or chiefly of cotton	1.20	1.07	0.07	0.11	0.14	0.16
Embroidered cloth of cotton in the piece, mill made	0.06	0.03	0.04	-	-	-
Special fabrics of cotton and related products	0.08	0.07	0.46	-	-	-
Jute manufactures	1.89	1.62	0.97	0.44	1.10	0.42
Iron and steel	0.42	0.56	0.92	0.02	0.02	0.02
Non-ferrous metal	0.02	0.01	-	-	-	-
Manufactures of metals, n.e.s.	0.50	0.36	0.36	0.04	0.03	0.11
Machinery, other than electric	0.38	0.29	1.17	0.04	0.07	0.10
Electric machinery, apparatus and appliances	0.13	0.06	0.02	-	-	-
Transport equipment	0.27	1.42	0.17	0.08	0.07	0.07
Sanitary, plumbing, heating and lighting fixtures	0.02	0.01	-	-	-	-

(Contd...)

Table 11 (Contd.)

Commodity	Kenya			Uganda		
	1965	1966	1967	1965	1966	1967
	'66	'67	'68	'66	'67	'68
1	2	3	4	5	6	7
Furniture	0.02	0.01	0.02	-	-	-
Travel goods, hard bags similar articles	0.04	0.03	0.02	-	-	-
Clothing (except for clothing)	0.19	0.10	0.04	0.02	0.01	0.01
Footwear	0.02	0.01	-	-	-	-
Developed cinema- tographic films	0.34	0.28	0.54	0.06	neg.	0.01
Printed matter	0.13	0.07	0.13	-	-	-
Articles of artifi- cial plastic materials	0.06	0.05	0.03	-	-	-
Manufactured articles, n.e.s.	0.06	0.05	0.08	-	-	-
Postal packages not classified accord- ing to kind	0.27	0.21	0.21	-	0.01	0.06
Special transactions	0.02	-	0.02	-	-	-
Others	0.23	0.45	-	0.31	0.16	0.14
Grand Total	10.25	9.65	8.05	2.14	2.44	1.88

(Contd.....)

Table 11 (Contd.)

Commodity	Tanzania			East Africa		
	1965-	1966-	1967-	1965-	1966-	1967-
	66	67	68	66	67	68
1	8	9	10	11	12	13
Rice	-	-	0.02	0.21	0.09	0.20
Onions	0.02	0.03	0.02	0.04	Neg.	0.04
Spices	0.08	0.09	0.10	0.31	0.34	0.18
Cereals and cereal preparations	-	-	-	0.11	0.11	-
Cocoa powder, un-sweetened	-	-	-	0.06	0.28	0.13
Food preparations, n.e.s.	-	-	0.08	0.06	0.06	0.10
Tobacco manufacture	-	-	0.01	0.02	0.02	0.03
Crude vegetable materials	-	-	0.06	0.15	0.10	0.04
Castor oil	-	-	-	0.02	0.01	-
Dyeing, tanning and colouring materials	-	-	-	0.06	0.03	-
Medicinal and pharmaceutical products	-	-	0.01	0.06	0.07	0.06
Perfumery, comestics, dentrifies, etc.	-	-	0.04	0.11	0.16	0.11
Toilet soaps, other than dental	0.06	0.05	0.08	0.14	0.07	0.11
Manufactures of leather, etc.	0.04	0.02	Neg.	0.06	0.02	Neg.
Rubber manufactures	0.04	0.02	0.06	0.06	0.09	0.11
Paper, paper board and manufactures, thereof	0.02	0.03	0.47	0.07	0.07	0.53
Cotton yarn and thread	0.19	0.23	0.03	0.36	0.84	0.10
Coir yarn	Neg.	Neg.	Neg.	0.06	0.05	0.04
Fabrics of art silk, synthetic fibres and spun yarn	0.26	0.46	0.15	0.99	1.15	0.41

(Contd.....)

Table 11 (Contd.)

Commodity	Tanzania			East Africa		
	1965-	1966-	1967-	1965-	1966-	1967-
	' 66	' 67	' 68	' 66	' 67	' 68
	8	9	10	11	12	13
Cotton piece goods	4.22	2.20	1.52	6.85	4.12	2.42
Silk fabrics, woven	-	-	-	0.02	0.01	-
Made up articles, wholly or chiefly of cotton	1.16	0.56	0.79	2.47	1.77	1.02
Embroidered cloth of cotton in the piece, mill made	-	-	-	0.06	0.03	0.04
Special fabrics of cotton and related products	-	-	0.06	0.08	0.07	0.52
Jute manufactures	1.58	0.97	0.76	3.91	3.69	2.15
Iron and steel	0.06	0.11	0.35	0.48	0.69	1.27
Non-ferrous metal	-	-	0.02	0.02	0.01	0.02
Manufactures of metals, n.e.s.	0.23	0.11	0.26	0.77	0.62	0.73
Machinery, other than electric	0.08	0.08	0.16	0.50	0.44	1.43
Electric machinery, apparatus and appliances	0.02	0.06	0.01	0.15	0.12	0.03
Transport equipment	0.17	0.21	0.19	0.52	1.71	0.43
Sanitary, plumbing, heating and light- ing fixtures	-	-	Neg.	0.02	0.01	-
Furniture	-	-	0.01	0.02	0.01	0.03
Travel goods, hard bags, similar articles	-	-	0.02	0.04	0.03	0.04

(Contd.....)

Table 11 (Contd.)

Commodity	Tanzania			East Africa		
	1965-	1966-	1967-	1965-	1966-	1967-
	66	67	68	66	67	68
1	8	9	10	11	12	13
Clothing (except fur clothing)	0.48	0.40	0.27	0.69	0.51	0.32
Footwear	0.02	0.01	0.06	0.04	0.02	0.06
Developed cinematographic films	-	-	-	0.40	0.28	0.55
Printed matter	-	-	0.01	0.13	0.07	0.14
Articles of artificial plastic materials	0.04	0.02	0.13	0.10	0.07	0.16
Manufactured articles, n.e.s.	-	-	0.07	0.06	0.05	0.15
Postal packages not classified according of kind	0.08	0.08	0.07	0.35	0.29	0.29
Special transactions	-	-	0.01	0.02	-	0.03
Others	0.21	1.07	0.24	0.74	0.61	0.38
Grand Total	9.08	6.75	5.44	21.47	18.84	15.37

Table 12

COMMODITY COMPOSITION OF EXPORT
TO INDIA

(Million \$)

	Kenya		Uganda		Tanzania		East Africa					
Commodity	1965- 66	1966- 67	1967- 68	1965- 66	1966- 67	1967- 68	1965- 66	1966- 67	1967- 68			
Cashewnut, raw	1.44	0.68	2.25	-	-	-	11.51	15.57	12.47	12.95	16.25	14.72
Spices	-	-	-	-	-	-	-	0.07	0.69	-	0.07	0.69
Hides & Skins, undressed	0.11	0.05	-	-	-	-	-	-	-	0.11	0.05	-
Copra, exclu- ding flour & meal	-	0.46	0.28	-	-	-	-	-	-	-	0.46	0.28
Raw cotton, excluding linters & sweepings	4.37	3.94	5.72	2.50	2.31	4.65	0.17	1.40	0.28	7.04	7.65	10.65
Sisal fibre & waste	0.19	0.35	0.16	-	-	-	0.40	0.45	0.51	0.59	0.80	0.67
Jute raw	-	-	-	-	-	-	-	0.96	-	-	0.96	-
Copper waste & scrap	-	-	-	-	-	-	0.02	0.03	-	0.02	0.03	-

(Contd.....)

Table 12 (Contd.)

(Million\$)

	Kenya		Uganda		Tanzania		East Africa					
	1965- 66	1966- 67	1967- 68	1965- 66	1966- 67	1967- 68	1965- 66	1966- 67	1967- 68			
Bones, ivory & waste	0.03	0.08	0.03	0.08	-	0.01	0.11	0.15	0.05	0.27	0.23	0.09
Wattle bark & extracts	1.78	2.70	1.28	-	-	-	0.59	0.36	0.55	2.37	3.06	1.83
pyrethrum	0.04	0.09	0.07	-	-	-	-	-	-	0.04	0.09	0.07
Wax of animal or vege- table	0.04	0.03	0.01	-	-	-	-	-	-	0.04	0.03	0.01
Zinc	-	0.01	0.01	-	-	-	-	-	-	-	0.01	0.01
Copper	0.69	-	0.16	-	-	-	-	0.17	0.04	0.69	0.17	0.20
Machinery, other than electric	0.04	0.03	-	-	-	-	-	-	-	0.04	0.03	-
Transport equipment	0.15	0.01	-	-	-	-	-	-	-	0.15	0.01	-

(Contd.....)

Table 12 (Contd.)

(Million \$)

	Kenya		Uganda		Tanzania		East Africa	
	1965-66	1966-67	1965-66	1966-67	1965-66	1966-67	1965-66	1966-67
Pearls, Precious & semi-precious stones, unworked	-	-	-	-	0.08	1.60	0.08	1.60
Special transaction	0.08	0.02	0.03	-	0.13	-	0.21	0.02
Others	0.51	0.01	-	0.02	0.13	0.04	0.64	0.05
Grand Total	9.38	7.97	9.92	2.60	2.32	4.66	13.12	21.23
							15.40	21.52
							25.10	29.98

Source: Monthly Statistics of Foreign Trade, Government of India.

Table 13

IMPORTS OF COTTON FABRICS

(Quantity '000 sq. yards)
(Value '000)

Year	Kenya			Uganda			Tanzania			East Africa		
	Quantity	Value	Quantity	Quantity	Value	Quantity	Quantity	Value	Quantity	Quantity	Value	Value
1964	34835	6417	23970	5289	58901	13279	107706	25985				
1965	37398	9342	33010	7355	53166	13683	123574	30880				
1966	34337	9211	28028	6342	65344	17390	127709	32943				
1967	18432	5455	11057	3325	29028	9331	58517	18111				
1968	17241	4687	6822	2254	26088	7227	50151	14168				
(Jan.- Aug.)												

Table 14

IMPORTS OF SYNTHETIC FABRICS

(Quantity '000 sq.
yards)
(Value '000 \$)

Year	Kenya		Uganda		Tanzania		East Africa	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
1964	22836	6194	20969	5835	16711	4729	60516	16758
1965	28504	7788	21491	5381	15758	3457	63753	16626
1966	27903	6180	18231	4686	23195	5569	71329	18435
1967	13150	4071	11711	4066	5701	1866	30562	10003
1968	14774	5298	8281	3466	4845	2019	27900	10783
(Jan.- Aug.)								

Source: East African Customs, Annual & Monthly Trade Reports.

Table 15

IMPORTS OF TEXTILES

('000 U.S. \$)

	<u>Uganda</u>			<u>Tanzania</u>		
	1965	1966	1967	1965	1966	1967
1	2	3	4	5	6	7
<u>Cotton Yarn & Thread</u>						
a) Total imports	392	368	352	1301	1561	654
b) Imports from India	66	32	52	215	288	45
c) India's share (%)	16.84	8.70	14.77	16.53	18.45	6.88
<u>Cotton Fabrics, Woven</u>						
a) Total imports	7355	6342	3325	13683	17390	9331
b) Imports from India	1544	847	473	5921	4853	2846
c) India's share (%)	20.99	13.36	14.22	43.27	27.91	30.50
<u>Cotton Fabrics, Woven: Grey</u>						
a) Total imports	1538	966	Nil	1469	634	132
b) Imports from India	417	319	-	1272	582	99
c) India's share (%)	27.11	33.02	-	86.59	91.80	75.00
<u>Cotton Fabrics, Woven Bleached</u>						
a) Total imports	329	256	136	805	1132	213
b) Imports from India	102	17	12	132	36	12
c) India's share (%)	31.00	6.64	8.82	16.40	3.18	5.63

(Contd.....)

Table 15 (Contd.)

IMPORTS OF TEXTILES

('000 #)

	<u>Kenya</u>			<u>East Africa</u>		
	1965	1966	1967	1965	1966	1967
	8	9	10	11	12	13

Cotton Yarn &
Thread

a) Total imports	801	1056	787	2494	2985	1793
b) Imports from India	88	438	251	369	808	348
c) India's share (%)	10.99	46.21	31.89	14.79	27.06	19.41

Cotton Fabrics,
Woven

a) Total imports	9842	9211	5455	30880	32943	18111
b) Imports from India	2509	2397	1148	9974	8097	4467
c) India's share (%)	25.49	24.65	21.05	32.29	24.59	24.66

Cotton Fabrics,
Woven: Grey

a) Total imports	1437	782	322	4444	2382	454
b) Imports from India	707	395	150	2396	1296	249
c) India's share (%)	49.20	50.51	46.58	53.92	54.41	54.85

Cotton Fabrics,
Woven Bleached

a) Total imports	997	607	248	2131	1995	597
b) Imports from India	203	165	67	437	218	91
c) India's share (%)	20.36	27.18	27.02	20.51	10.93	15.24

(Contd.....)

Table 15 (Contd.)

('000 U.S. \$)

	Uganda			Tanzania		
	1965	1966	1967	1965	1966	1967
1	2	3	4	5	6	7

Cotton Fabrics
Coloured

a) Total imports	3306	2723	1538	4245	4985	2857
b) Imports from India	513	219	168	1353	1297	882
c) India's share (%)	15.52	8.04	10.92	38.94	26.02	30.87

Cotton Fabrics
Printed

a) Total imports	2131	2326	1553	4439	3779	4287
b) Imports from India	48	35	30	1513	2113	820
c) India's share (%)	2.25	1.50	1.93	34.08	24.07	19.13

Other (including cotton
velvets corduroy,
furing fabrics, etc.

a) Total imports	53	70	71	36	30	39
b) Imports from India	2	1	4	6	4	8
c) India's share (%)	3.77	1.43	5.63	16.67	13.33	20.51

Mosquito Netting

a) Total imports	54	48	39	84	108	76
b) Imports from India	Nil	Nil	Nil	11	9	10
c) India's share (%)	-	-	-	13.10	8.33	13.16

(Contd.....)

Table 15 (Contd.)

('000 £)

	Kenya			East Africa		
	1965	1966	1967	1965	1966	1967
	8	9	10	11	12	13

Cotton Fabrics
Coloured

a) Total imports	3771	2398	831	11322	10106	5226
b) Imports from India	724	456	186	2890	1972	1236
c) India's share (%)	19.20	19.02	22.38	25.52	19.51	23.65

Cotton Fabrics
Printed

a) Total imports	1681	3168	2441	8251	14273	8281
b) Imports from India	104	420	188	1665	2568	1038
c) India's share (%)	6.19	13.26	7.70	20.18	17.99	12.53

Other (including cotton
velvets corduroy,
furing fabrics, etc.

a) Total imports	129	88	181	218	188	302
b) Imports from India	20	15	6	28	20	18
c) India's share (%)	15.50	17.05	3.31	12.84	10.64	5.96

Mosquito Netting

a) Total imports	46	75	65	184	231	180
b) Imports from India	5	26	23	16	35	33
c) India's share (%)	10.86	34.67	35.38	8.70	15.15	18.33

(Contd.....)

Table 15 (Contd.)

('000 \$)

	Uganda			Tanzania		
	1965	1966	1967	1965	1966	1967
1	2	3	4	5	6	7
<u>Fabrics, Coated or Impropnated</u>						
a) Total imports	92	78	98	81	246	105
b) Imports from India	49	36	52	34	57	50
c) India's share (%)	53.26	46.15	53.06	41.98	23.17	47.62
<u>Fishing Nets & Netting</u>						
a) Total Imports	274	64	28	519	276	164
b) Imports from India	Nil	Nil	Nil	Nil	Nil	Nil
c) India's share (%)	-	-	-	-	-	-
<u>Blankets & Trand-ing ups</u>						
a) Total Imports	325	92	36	364	275	134
b) Imports from India	148	53	22	156	63	41
c) India's share (%)	45.54	57.61	61.11	42.86	22.91	30.60
<u>Bed Sheets, Bed Spreds, etc.</u>						
a) Total Imports	483	327	305	1641	925	1324
b) Imports from India	265	167	185	1144	692	924
c) India's share (%)	54.87	51.07	60.66	69.71	74.81	69.79

Table 15 (Contd.)

('000 \$)

	Kenya			East Africa		
	1965	1966	1967	1965	1966	1967
	8	9	10	11	12	13

Fabrics, Coated
or Impregnated

a) Total Imports	334	375	309	507	699	512
b) Imports from India	43	80	57	126	173	159
c) India's share (%)	12.87	21.33	18.45	24.85	24.75	31.05

Fishing Nets &
Netting

a) Total Imports	238	195	249	1031	535	441
b) Imports from India	Nil	Nil	Nil	-	-	-
c) India's Share (%)	-	-	-	-	-	-

Blankets & Trand-
ing ups

a) Total Imports	375	395	213	1064	762	383
b) Imports from India	160	266	157	464	382	220
c) India's share (%)	42.67	67.34	73.71	43.61	50.13	57.44

Bed Sheets, Bed
Spreds, etc.

a) Total Imports	834	1128	596	2958	2086	2225
b) Imports from India	543	574	314	1952	1433	1423
c) India's share (%)	65.11	50.89	52.65	66.00	69.70	63.96

Table 16

IMPORTS OF SYNTHETIC FIBRES AND FABRICS

('000 U.S. \$)

	Uganda			Tanzania		
	1965	1966	1967	1965	1966	1967
1	2	3	4	5	6	7

Yarn & Thread of
Synthetic Fibres,
etc.

a) Total Imports	225	640	507	1041	989	732
b) Imports from India	Neg.	1	1	16	47	Nil
c) India's share (%)	-	0.16	Neg.	1.54	4.75	-

Synthetic Fabrics,
Woven

a) Total Imports	5381	4636	4066	3457	5569	1866
b) Imports from India	461	573	163	74	744	128
c) India's share (%)	8.57	12.23	4.72	2.14	1.34	6.86

Synthetic Fabrics
Bleached

a) Total Imports	25	70	87	28	139	53
b) Imports from India	3	4	Neg.	1	20	Neg.
c) India's share (%)	12.00	5.71	-	3.57	14.39	-

(Contd.....)

Table 16 (Contd.)

IMPORTS OF SYNTHETIC FIBRES AND FABRICS

('000 U.S. \$)

	Kenya			East Africa		
	1965	1966	1967	1965	1966	1967
	8	9	10	11	12	13

Yarn & Thread of
Synthetic Fibres,
etc.

a) Total Imports	580	890	713	1846	2519	1952
b) Imports from India	4	39	25	20	87	26
c) India's share (%)	0.69	4.38	3.51	1.57	3.45	1.33

Synthetic Fabrics,
Woven

a) Total Imports	7788	6180	2906	16626	16435	8936
b) Imports from India	64	595	67	599	1912	358
c) India's Share (%)	8.22	9.63	3.27	3.60	11.63	4.01

Synthetic Fabrics
Bleached

a) Total Imports	123	190	81	176	399	221
b) Imports from India	3	6	Neg.	7	30	Neg.
c) India's share (%)	2.44	3.16	-	3.98	7.52	-

(Contd.....)

Table 16 (Contd.)

('000 U.S. \$)

	<u>Uganda</u>			<u>Tanzania</u>		
	1965	1966	1967	1965	1966	1967
1	2	3	4	5	6	7

Synthetic Fabrics,
Woven of Coloured
Yarn

a) Total Imports	457	355	363	63	122	118
b) Imports from India	83	92	73	5	31	14
c) India's share (%)	18.16	25.92	20.11	7.94	25.41	11.86

Synthetic Fabrics -
in the Piece

a) Total Imports	1899	1912	2075	1639	2638	1333
b) Imports from India	125	236	76	19	202	80
c) India's share (%)	6.58	12.34	3.66	1.16	7.66	6.00

Synthetic Fabrics -
printed

a) Total Imports	2978	2318	1494	1680	2641	341
b) Imports from India	250	241	14	49	491	34
c) India's Share (%)	8.39	10.40	0.94	2.92	18.59	9.97

Others (Includ-
ing Velvets, etc.

a) Total Imports	22	31	45	47	29	21
b) Imports from India	Nil	Nil	Nil	Nil	Nil	Nil
c) India's share (%)	-	-	-	-	-	-

Table 16 ((Contd...))

('000 U.S. \$)

	Kenya			East Africa		
	1965	1966	1967	1965	1966	1967
	8	9	10	11	12	13

Synthetic Fabrics.
Woven of Coloured
Yarn

a) Total Imports	252	594	523	772	1071	1004
b) Imports from India	14	34	8	102	157	95
c) India's share (%)	5.56	5.72	1.53	13.21	14.66	9.46

Synthetic Fabrics -
in the Piece

a) Total Imports	3566	3110	1708	7104	7660	5116
b) Imports from India	37	294	49	181	732	205
c) India's Share (%)	1.04	9.45	2.87	2.55	9.56	4.01

Synthetic Fabrics -
printed

a) Total Imports	3732	2138	543	8390	7097	2378
b) Imports from India	10	255	10	309	987	58
c) India's Share (%)	0.27	11.93	1.84	3.68	13.91	2.44

Others (Includ-
ing Velvets, etc.)

a) Total Imports	115	148	151	184	208	217
b) Imports from India	Neg.	6	Neg.	Neg.	6	Neg.
c) India's Share (%)	-	4.05	-	-	2.88	-

Table 17

IMPORTS OF IRON AND STEEL

(Value '000 U.S.\$)
(Qty. '000 Tonnes)

		Kenya											
		1965			1966			1967					
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Value	Value
		1	2	3	4	5	6	5	6	5	6	6	6
IRON AND STEEL													
67320	Ba	A	78	12729	74	12533	89	14263					
		B	2	236	3	455	6	796					
		C	2.0	1.85	3.85	3.63	6.24	5.58					
67320	Bars & rods (excluding wire rods of iron & steel)	A	10	1311	8	1264	13	1574					
		B	0.2	23	0.2	24	2	170					
		C	1.89	1.75	2.19	1.90	12.72	10.80					
67810	Tubes & pipes of cast iron	A	0.5	8	2	487	0.5	84					
		B	0.4	6	0.3	38	0.3	36					
		C	90.90	75.00	16.67	7.80	60.0	42.86					
67820	Tubes & pipes of iron steel other than cast iron or steel seamless (excluding clinched)	A	2	54	2	566	0.6	218					
		B	0.7	103	0.4	6	-	6					
		C	26.87	18.87	2.00	1.06	6.15	2.75					
67830	Tubes & pipes of iron (other than cast iron or steel, welded clinched, etc.)	A	3	638	4	806	7	1456					
		B	0.7	100	2	346	3	526					
		C	21.12	15.67	52.75	42.93	45.96	30.13					
67840	Tubes and pipes fitting of iron and steel.	A	0.3	216	0.5	321	0.6	388					
		B	0.02	4	0.2	41	0.3	57					
		C	7.14	1.85	40.00	12.77	50.00	14.69					

(Contd....)

Table 17 (Contd.)

		Kenya										(Value '000 U.S.\$) (Qty. '000 Tonnes)	
		1965					1966					1967	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
		1	2	3	4	5	6	7	8	9	10	11	12
691	Tin shed-structural parts and other structure of iron & Steel	1 Negl.	582	3	1264	4	4623						
			-	-	-	-	0.3						
			-	-	-	-	Negl.						
69111	Steel doors and windows (including house & shop frames)	-	20	-	11	0.3	126						
		-	-	-	-	-	-						
		-	-	-	-	-	-						
69119	Others	1	589	3	1250	4	4497						
		-	-	-	-	-	0.3						
		-	-	-	-	-	Negl.						

Table 17 (Contd.)

(Value '000 U.S.\$)
(Qty. '000 Tonnes)

		Uganda											
		1965				1966				1967			
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
		7	8	9	10	11	12						
<u>IRON AND STEEL</u>													
67320 Bars & rods (excluding wire rods of iron & steel)	A	23	4413	29	5006	29	5216						
	B	0.9	131	1	148	0.9	141						
	C	3.65	2.97	3.72	2.86	2.96	2.70						
67810 Tubes & pipes of cast iron	A	5	697	3	398	4	568						
	B	-	8	0.1	8	.2	20						
	C	-	1.15	3.17	2.01	4.21	3.52						
67820 Tubes & pipes of iron steel other than cast iron or steel seamless (excluding clinched)	A	0.4	71	0.6	118	.4	62						
	B	0.1	14	0.1	20	0.1	14						
	C	25.00	19.71	23.08	16.95	25.00	22.58						
67830 Tubes & pipes of iron (other than cast iron or steel, welded clinched, etc.)	A	2	538	1	365	0.4	140						
	B	-	6	0.1	3	-	-						
	C	1.56	1.12	12.00	0.82	-	-						
67840 Tubes and pipes fitting of iron and steel	A	3	487	3	490	4	913						
	B	-	89	0.6	92	-	81						
	C	23.21	18.28	23.64	18.78	12.09	8.87						
	A	0.2	244	0.4	246	0.51	16						
	B	0.07	15	0.1	25	.22	22						
	C	16.67	6.15	28.89	10.16	1.18	6.96						

Contd

Table 17 (Contd.)

(Value '000 U.S.\$)
(Qty. '000 Tonnes)

		Uganda											
		1965				1966				1967			
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
		7	8	9	10	11	12	11	12	11	12	11	12
691	Tin shed-structural parts and other structure of iron and steel.	A	652	-	-	445	2	1249	2	1249	2	1249	2
		B	-	-	-	-	Negl.	-	-	-	-	-	-
		C	-	-	-	-	-	-	-	-	-	-	-
69111	Steel doors and windows (including house & shop frames)	A	56.0	0.1	189	0.1	101	101	0.1	101	0.1	101	0.1
		B	Nil	Nil	Nil	Nil	Nil	-	Nil	-	-	-	-
		C	-	-	-	-	-	-	-	-	-	-	-
69119	Others	A	594	-	123	2	1143	1143	2	1143	2	1143	2
		B	-	-	-	-	-	-	-	-	-	-	-
		C	-	-	-	-	-	-	-	-	-	-	-

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Contd.....

Table 17 (Contd.)

		Tanzania										(Value '000 U.S. \$) (Qty. '000 Tonnes)	
		1965					1966					1967	
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
		13	14	15	16	17	18	19	20	21	22	23	24
<u>IRON AND STEEL</u>													
67820	Bars & rods (excluding wire rods of iron & steel)	A	36	7048	34	6070	86	17119					
		B	0.8	118	2	227	3011	474					
		C	2.21	1.67	4.48	3.74	3.60	2.76					
67810	Bars & rods (excluding wire rods of iron & steel)	A	5	663	3	391	4	451					
		B	0.1	6	0.1	12	0.31	34					
		C	0.88	0.90	4.35	3.07	9.97	7.54					
67810	Tubes & pipes of cast iron	A	3	430	2	334	0.8	149					
		B	0.2	20	0.2	22	0.1	17					
		C	6.18	4.64	9.85	6.59	13.95	11.49					
67820	Tubes & pipes of iron steel other than cast iron or steel seamless (excluding clinched)	A	3	1125	3	643	14	3313					
		B	-	-	-	-	-	3					
		C	-	-	-	-	0.16	Negl.					
67830	Tubes & pipes of iron (other than cast iron or steel, welded clinched, etc.)	A	3	689	5	920	32	7241					
		B	0.6	94	-	180	3	406					
		C	23.64	13.64	22.32	19.56	8.03	5.61					
67840	Tubes and pipes fitting of iron and steel	A	0.5	442	0.6	307	0.5	528					
		B	-	-	0.1	13	0.1	14					
		C	-	-	16.25	4.23	13.59	2.65					

Contd.....

Table 17 (Contd.)

		Tanzania										
		1965					1966					1967
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	
		13	14	15	16	17	18					
691	Tin shed-structural parts and other structure of iron and steel.	8	2334	6.31	2649	5	2398					
	A	-	-	-	-	-	-					
	B	-	-	-	-	-	-					
	C	-	-	-	-	-	-					
69111	Steel doors and windows (including house & shop frames)	0.1	90	0.2	120	0.1	101					
	A	-	-	-	-	-	-					
	B	-	-	-	-	-	-					
	C	-	-	-	-	-	-					
69119	Others	8	2624	6	2480	5	2791					
	A	-	-	-	-	-	-					
	B	-	-	-	-	-	-					
	C	-	-	-	-	-	-					

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Table 17 (Contd.)

(Value '000 U.S.\$)
(Qty. '000 Tonnes)

		East Africa					
		1965			1966		
		Qty.	Value	Qty.	Value	Qty.	Value
		19	20	21	22	23	24
<u>IRON AND STEEL</u>							
67320	A	139	19754	137	23609	205	36596
	B	3	435	5	830	2	1411
	C	2.34	2.45	4.00	3.51	4.66	3.86
67320	A	19	2671	14.30	2053	21	2610
	B	0.3	37	0.41	45	2.	224
	C	1.64	1.39	2.86	2.19	10.28	8.58
67810	A	3	509	4	939	2	294
	B	0.32	40	0.64	80	0.50	67
	C	10.77	7.86	15.55	8.52	31.43	22.79
67820	A	8	2203	3	1574	15	3671
	B	0.7	109	0.28	9	0.1	9
	C	8.52	4.94	5.26	0.57	0.29	0.25
67830	A	8	1814	12	2216	44	9607
	B	2	283	4	618	6	1014
	C	22.53	15.60	33.33	27.89	14.76	10.55
67840	A	1	902	1	874	2	1232
	B	0.1	19	4	79	0.4	92
	C	7.69	2.11	25.00	9.04	25.71	7.47

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Contd.....

Table 17 (Contd.)

		(Value '000 U.S.\$) (Qty. '000 Tonnes)									
		East Africa									
		1965					1966				
		Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value	Qty.	Value
		19	20	21	22	23	24	25	26	27	28
691	Tin shed-structural parts and other structure of iron and steel.	A	4068	-	4358	12.00	8767				
		B	-	-	-	Negl.	2.3				
		C	-	-	-	-	-				
69111	Steel doors and Windows (including house & shop frames)	A	166	-	320	0.5	325				
		B	-	-	-	-	-				
		C	-	-	-	-	-				
69119	Others	A	3807	8.81	3853	12	8442				
		B	-	-	-	Negl.	2.3				
		C	-	-	-	-	-				

A : Total imports

B : India's exports

C : India's Percentage share.

Table 18

IMPORTS OF IRON AND STEEL (OTHERS)

A =	Total Imports	Quantity '000 tonnes
B =	Imports from India	
C =	India's share (%)	Value '000 US. \$

Item		East Africa						
		1965		1966		1967		
		Qty.	Value	Qty.	Value	Qty.	Value	
67390	Angles, Shapes & sections	A	20	2725	17	2307	20.0	2594
		B	-	-	0.1	12	1.4	479
		C	-	-	0.59	0.52	7.00	1.84
67441	Sheets in coil uncoated	A	18	2846	25	3975	24	3234
		B	-	-	-	-	-	-
		C	-	-	-	-	-	-
67449	Other	A	21	3564	28	4019	51	5809
		B	3	23	1	10	-	-
		C	14.3	0.65	3.6	0.25	-	-
67470	Tinned plates and sheets	A	19	4163	16	3379	27	3531
		B	-	-	-	-	-	-
		C	-	-	-	-	-	-
67491 & 92	Corrugated sheets	A	5	1112	3	574	2	468
		B	-	-	-	-	-	-
		C	-	-	-	-	-	-
67493 & 94	Flat galvanised sheets	A	4	630	3	537	6	1285
		B	-	-	-	-	-	-
		C	-	-	-	-	-	-

(Contd.....)

Table 18 (Contd.)

Item	East Africa					
	1965		1966		1967	
	Qty.	Value	Qty.	Value	Qty.	Value
67495 Enamelled, printed sheets, etc.	-	-	-	-	-	-
A	-	-	Negl.	76	-	-
B	-	-	-	-	-	-
C	-	-	-	-	-	-
67499 Others	A	Negl. 70	Negl.	200	Negl.	182
B	-	-	-	-	-	-
C	-	-	-	-	-	-
67501 Baling hoop & strip	A	4.7 1190	4.7	1270	4.5	1039
B	-	-	-	-	-	-
C	-	-	-	-	-	-
67509 Other	A	Negl. 127	Negl.	141	Negl.	190
B	-	-	-	-	-	-
C	-	-	-	-	-	-
67701 Nail Wire	A	5.2 589	6.9	695	801	901
B	-	-	-	-	-	-
C	-	-	-	-	-	-
67709 Others	A	4 872	5	870	4.1	764
B	-	-	-	-	-	-
C	-	-	-	-	-	-

Table 19IMPORTS OF ELECTRIC MACHINERY

('000 U.S. \$)

Electric Machine & Equipment		Kenya			Uganda		
		1965	1966	1967	1965	1966	1967
1		2	3	4	5	6	7
72310	Insulated	A 879	1154	957	580	714	448
	Wires and	B 4	2	2	4	6	Neg.
	cables	C 0.46	0.17	0.21	0.69	0.84	Neg.
72212	Electric	A 638	410	1778	134	370	476
	generato-	B -	-	14	Neg.	-	-
	rs & con-	C -	-	0.79	-	-	-
	ductors						
72220	Elect.	A 802	946	1529	1207	652	983
	apparatus	B 6	-	6	1	-	0.1
	for mak-	C 0.75	-	0.39	Neg.	-	-
	ing/break-						
	ing or						
	protect-						
	ing elect.						
	circuit						
	(switch-						
	gear, etc.)						
72501	Domestic	A 177	454	462	406	414	216
	Refrigera-	B -	-	Neg.	0.6	0.6	-
	tors	C -	-	-	-	-	-
	elect.						
72502	Domestic	A 29	-59	-59	-22	-19	-14
	washing	B -	-	-	-	-	-
	machine	C					

(Contd.....)

Table 19 (Contd.)

		1	2	3	4	5	6	7
72503	Fans (Elect.)	A	21	44	25	14	16	31
		B	Negl.	Negl.	Negl.	Negl.	0.6	Negl.
		C						
72504	Cooker, Hot Plates, etc.	A	122	157	148	176	199	76
		B	-	-	-	-	-	-
		C						
72509	Others	A	433	171	490	286	280	249
	including	B	2	1	2	Negl.	-	0.6
	parts	C	0.46	0.58	0.41	-	-	Negl.

Note:- A - Total Imports
 B - Imports from India
 C - India's share (%)

Contd....

Table 12 (Contd.)

('000 U.S.\$)

Electric Machine & Equipment		Tanzania			East Africa		
		1965	1966	1967	1965	1966	1967
		8	9	10	11	12	13
72310 Insulated wires and cables	A	703	639	429	2162	2507	1834
	B	-	-	Negl.	8	8	2
	C	Negl.	Negl.	Negl.	3.37	0.32	0.11
72212 Electric generators & conduc- tors	A	773	665	1485	1545	1445	3741
	B	-	-	Negl.	Negl.	Negl.	14
	C	-	-	-	-	-	0.37
72220 Elect. app- aratus for making/ breaking or protec- ting elec- tric circu- it (switch- gear, etc.)	A	174	782	1090	2723	2386	3601
	B	2	-	Negl.	9	-	8
	C	-	-	-	0.52	-	0.22
72501 Domestic Refrigera- tors elect.	A	412	503	325	994	1371	1002
	B	0.3	-	-	1	1.0	Negl.
	C	-	-	-	0.1	-	-
72502 Domestic washing machine	A	25	31	22	76	109	92
	B	-	-	-	-	-	-
	C	-	-	-	-	-	-

Contd.....

Table 19 (Contd.)

		1	2	9	10	11	12	13
72503	Fans (Elect.)	A B C	53 4	117 7	81 Negl.	88 Negl.	177 -	154 6 3.90
72504	Cooker, Hot Plates, etc.	A B C	114 -	98 -	48 -	412 -	454 -	272 -
72509	Others including parts	A B C	362 Negl. -	285 - -	269 0.3 -	1081 2 0.19	736 1 0.14	1008 3 0.30

Note:- A - Total Imports
 B - Imports from India
 C - India's share (%)

Table 20

IMPORTS OF INDUSTRIAL MACHINERY

('000 U.S.\$)

1		Kenya			Uganda		
		1965	1966	1967	1965	1966	1967
		2	3	4	5	6	7
Industrial machinery	A	2641	3222	6576	5573	3792	6912
	B	282	135	251	42	64	104
	C	10.7	4.1	3.8	0.7	1.7	1.5
Textile machinery	A	1848	2419	1758	4450	981	4422
	B	212	80	123	19	29	82
	C	11.5	3.3	7.0	0.4	2.9	1.9
Sugar machinery	A	214	123	3973	590	1962	921
	B	6	15	27	1	15	-
	C	3.0	12.2	0.7	Neg.	0.7	-
Paper making machinery	A	129	231	246	12	448	731
	B	-	-	-	-	-	-
	C	-	-	-	-	-	-
Cement machinery	A	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	B						
	C						
Tea machinery	A	423	431	409	257	171	40
	B	64	40	101	22	20	22
	C	16.0	9.3	24.5	8.6	11.6	55.0
Coffee machinery cleaning, grading and sorting	A	27	78	190	264	230	798
	B	Nil	Nil	Nil	-	Nil	Nil
	C						

Contd.....

Table 20 (Contd.)

IMPORTS OF INDUSTRIAL MACHINERY

('000 U.S.\$)

1		Tanzania			East Africa		
		1965	1966	1967	1965	1966	1967
		8	9	10	11	12	13
Industrial machinery	A	1597	3674	7357	9811	10748	20845
	B	13	16	33	337	215	388
	C	0.7	0.4	0.4	3.4	2.0	1.9
Textile machinery	A	1174	2344	6711	7472	5833	12891
	B	8	4	2	231	113	207
	C	Neg.	Neg.	Neg.	3.1	2.0	1.6
Sugar machinery	A	216	753	339	1020	2838	5233
	B	1	1	-	8	31	27
	C	Neg.	Neg.	-	0.8	1.1	0.5
Paper making machinery	A	Neg.	235	31	141	914	1008
	B	Neg.	-	3	-	-	3
	C	-	-	9.7	-	-	0.3
Cement machinery	A	N.A.	N.A.	N.A.			
	B						
	C						
Tea machinery	A	80	129	214	760	731	663
	B	12	11	28	98	71	151
	C	15.0	8.5	13.1	13.0	9.7	22.8
Coffee machinery cleaning, grading and sorting	A	127	124	62	418	432	1050
	B	Nil	Nil	Nil	Nil	Nil	Nil
	C						

Note:- A = Total Imports
 B = Imports from India
 C = India's share (%)

Table 21

IMPORTS OF BICYCLES
AND PARTS

(Quantity - '000 nos.)
(Value - 000 US \$)

		Kenya					
		1965		1966		1967	
		Quan- tity	Value	Quan- tity	Value	Quan- tity	Value
		1	2	3	4	5	6
Cycles not motorised complete	A	10	269	13	311	16	414
	B	1	22	5	105	6	126
	C	10.00	0.82	38.46	33.76	37.50	30.43
Other Expor- ters:	A	6.	167	7	190	9	258
U.K.							
Cycles parts (including Total)	A		280		392		273
	B		28		126		90
	C		10.00		32.14		32.97
<u>Other Exporters:</u>							
United King- don.	A		31		34		28
Japan	A		81		45		50
West Germany	A		70		45		56
China Main- land	A		45		112		31

Notes:- A = Total Imports.
P = Imports from India
C = India's share (%)

Contd.....

Source: East African Customs - Annual Trade & Revenue Report

Table 21 (Contd.)

		Uganda					
		1965		1966		1967	
		Quan- tity	Value	Quan- tity	Value	Quan- tity	Value
		7	8	9	10	11	12
Cycles not motorised complete	A	17	473	20	557	10	297
	B	1	20	3	63	1	22
	C	5.88	4.23	15.00	11.31	10.00	7.41
Other Expor- ters: U.K.	A	12	367	15	440	8	263
Cycles parts (including Total	A		843		888		549
	B		151		188		109
	C		17.91		21.17		19.85
<u>Other Exporters:</u>							
United King- dom	A		302		288		202
Japan	A		124		118		70
West Germany	A		129		118		64
China Main- land	A		81		123		59

Contd.....

Table 21 (Contd.)

(Quantity = '000 nos.)
(Value - '000 U.S.\$)

		Tanzania					
		1965		1966		1967	
		Quantity	Value	Quantity	Value	Quantity	Value
		13	14	15	16	17	18
Cycles not motorised complete							
	A	22	587	29	786.0	25	743
	B	3	64	Negl.	14	2	36
	C	13.64	10.90	Negl.	1.78	8.00	4.85
Other Exporters:							
U.K.	A	13	391	19	578	21	655
Cycles parts (including Total)							
	A		469		746		358
	B		66		185		115
	C		14.07		24.80		32.39
Other Exporters:							
United Kingdom	A		104		151		76
Japan	A		152		108		62
West Germany	A		30		48		5
China Mainland	A		31		127		56

Note:- A = Total Imports
B = Imports from India
C = India's share (%)

Source:- East African Customs - Annual Trade & Revenue Report.

Contd.....

Table 21 (contd.....)

(Quantity - '000 nos.)
Value - '000 U.S.\$)

		East Africa					
		1965		1966		1967	
		Qty.	Value	Qty.	Value	Qty.	Value
		19	20	21	22	23	24
Cycles not	A	49	1329	62	1654	51	1454
motorised	B	5	106	8	182	9	185
complete	C	10.20	7.98	12.90	11.00	17.65	12.72
Other Exporters:							
U.K.	A	31	325	41	1208	38	1173
Cycles parts							
(including	A		1592		2026		1180
total)	B		245		423		314
	C		15.39		20.88		26.16
Other Exporters:							
United Kingdom	A		437		473.		306
Japan	A		357		271		182
West Germany	A		229		211		125
China Mainland	A		157		362		146

Note:- A = Total Imports

B = Imports from India

C = India's share (%)

Source: East African Customs - Annual Trade & Revenue Report.

Table 22

IMPORTS OF HAND TOOLS AND SMALL TOOLS

		Kenya			Uganda		
		1965	1966	1967	1965	1966	1967
		1	2	3	4	5	6
Tools for use	A	1323	1647	1531	1288	1296	952
in the hand	B	14	69	46	3	13	13
or in machi-	C	1.08	4.3	3.07	0.2	1.0	1.3
nes - hand							
tools mainly							
used in agr.							
& foundry							
	*						
Hoes (Jembes)	A	70N	17N	16	532	552	42
	B	-	-	-	-	-	-
	C	-	-	-	-	-	-
Ratchets	A	116	190	95	90	78	118
(Pangas)	B	-	-	-	-	-	-
	C	-	-	-	-	-	-
Others	A	216	204	185	176	162	134
	B	-	-	2	3	3	-
	C	-	-	1.0	1.7	1.8	-
Mechanics &	A	786	955	902	490	504	423
artisan tools	B	8	21	36	Negl.	8	8
	C	1.0	2.2	4.0	-	1.6	2.0
Others	A	275	281	333	160	134	235
	B	6	48	8	Negl.	2	5
	C	2.2	17.0	2.4	-	1.5	2.1

* Figures are for net imports
N, Negative

A : Total imports of the country.
B : Imports from India
C : Percentage share of India.

Contd.....

Table 22 (Contd.)

		Tanzania			East Africa		
		1965	1966	1967	1965	1966	1967
		7	8	9	10	11	12
Tools for use	A	1246	1771	1983	3857	4714	4466
in the hand	B	8	9	16	25	1.9	1.7
or in machi-	C	0.7	0.5	0.8	0.6	1.9	1.7
nes - hand							
tools mainly							
used in agr.							
& foundry							
	*						
Hoes (Jambes)	A	319	763	953	781	1298	1011
	B	-	-	-	-	-	-
	C	-	-	-	-	-	-
Ratchests	A	110	95	106	316	363	319
(Pangas)	B	-	-	-	-	-	-
	C	-	-	-	-	-	-
Others	A	201	185	141	593	551	460
	B	-	-	2	3	3	4
	C	-	-	1.4	0.5	0.54	0.9
Mechanics &	A	397	484	553	1673	1943	1878
artisan tools	B	5	7	11	13	36	55
	C	1.2	1.4	2.0	0.8	1.9	3.0
Others	A	219	254	230	654	669	798
	B	3	2	3	9	52	16
	C	1.4	0.8	1.3	1.4	7.8	2.0

Table 23IMPORTS OF DYEING TANNING AND COLOURING
EXTRACTS

(000 U.S.\$)

		Kenya			Uganda		
		1965	1966	1967	1965	1966	1967
I. Synthetic organic dyesstuff, indigo, etc.	A	199	250	207	613	1400	756
II. Dyeing extracts (veg. & animals) total	A	35	42	22	10	14	11
	B	5	6	-	-	-	-
	C	14.3	14.3	-	-	-	-
III. Synthetic tanning materials, Total	A	56	87	67	Negl.	Negl.	Negl.
IV. Others	A	1	0.2	-	Negl.	Negl.	Negl.
V. Tanning Acids	A	6	1	-	Negl.	Negl.	Negl.
Total Imports from All Sources		297	380	296	623	1414	767
Imports from India		5	6	-	-	-	-
India's share (%)		1.7	1.6	-	-	-	-

Contd.....

Table 23 (Contd.)

(000 U.S.\$)

		Tanzania			East Africa		
		' 1965	' 1966	' 1967	' 1965	' 1966	' 1967
I. Synthetic organic dyesstuff, indigo, etc.	A	162	238	383	884	1888	1346
II. Dyeing extracts (veg. & animals) total	A	8	7	8	53	63	41
	B	-	-	-	5	6	-
	C	-	-	-	9.4	9.5	-
III. Synthetic tanning materials, Total	A	-	-	-	56	87	67
IV. Others	A	-	-	-	1	0.2	-
V. Tanning Acids	A	-	-	-	6	1	-
Total Imports for All Sources		170	245	391	1000	2039	1454
Imports from India		-	-	-	5	6	-
India's share (%)		-	-	-	0.5	0.3	-

A : Total imports of the country.

B : Imports from India

C : Percentage share of India

Note:- Where no figures are given for India, import are zero.

Table 24

IMPORTS OF MEDICINES AND PHARMACEUTICALS

('000 U.S.\$)

		Kenya			Uganda		
		1965	1966	1967	1965	1966	1967
Medicines & pharmaceuticals	A	4594	4590	4895	1885	2284	2048
	B	37	37	56	22	28	79
	C	0.8	0.8	1.1	1.16	1.2	3.8
Vitamins & provitamins	A	244	95	95	18	48	22
Pencillin, streptomycin, etc.	A	171	174	87	140	188	120
	B	-	-	-	-	-	6
	C	-	-	-	-	-	5.0
Opium alkaloids, etc.	A	17	-	101	39	64	115
	B	-	-	2	-	-	18
	C	-	-	2.0	-	-	15.6
Hormones	A	1	-	-	Negl.	5	8
Sera and vaccine	A	361	300	210	227	132	151
Others	A	Negl.	2	Negl.	Negl.	Negl.	Negl.
Medicaments	A	3520	3651	3997	1340	1679	1531
	B	37	37	54	22	28	55
	C	1.06	1.0	1.35	1.7	1.6	3.67
Bandages, etc.	A	252	337	342	90	140	87
White absorbent cotton	A	5	3	28	3	3	6
Other pharmaceutical products	A	23	28	45	28	25	8

Contd.....

A : Total imports of the country.
 B : Imports from India.
 C : Percentage share of India.

Table 24 (Contd.)

('000 U.S. \$)

		Tanzania			East Africa		
		1965	1966	1967	1965	1966	1967
Medicines & Pharmaceuticals	A	2830	3230	2657	9309	10104	9600
	B	22	25	22	81	90	157
	C	0.8	0.8	0.8	0.87	0.9	1.6
Vitamins & Provitamins	A	52	69	67	314	212	184
Pencillin, streptomycin, etc.	A	262	274	282	573	628	491
	B	-	-	-	-	-	6
	C	-	-	-	-	-	1.2
Opium alkaloids, etc.	A	109	247	282	165	311	498
	B	-	-	-	-	-	20
	C	-	-	-	-	-	4.0
Hormones	A	5	8	4	6	13	12
Sera and vaccine	A	119	132	187	707	564	548
Others	A	Negl.	Negl.	Negl.	-	2	-
Medicaments	A	2005	2015	1707	6865	7345	7235
	B	22	25	22	81	90	131
	C	1.1	1.25	1.3	1.2	1.23	1.82
Bandages, etc.	A	253	363	245	595	840	674
White absorbent cotton	A	3	6	3	11	12	37
Other pharmaceutical products	A	22	22	43	73	75	101

A : Total imports of the country.

B : Imports from India.

C : Percentage share of India.

Table 25

IMPORTS OF BASIC CHEMICALS

('000 \$)

Item	Kenya		Uganda		Tanzania	
	1967		1967		1967	
	Qty.	Value	Qty.	Value	Qty.	Value
1	2	3	4	5	6	7
51210 Hydrocarbons and their halogenated, sulfonated, intrated or introsated drivates	-	154	-	35		55
51221 Methyl alcohol(Methanol) '000 Qty.(Imp. Gallons)	35.6	36	5.5	5.6	3.6	4
51222 Ethyl alcohol, undenatured, of atleast 80 degrees stre- ngth, and denatured spirits '00 (Imp. Gallons)	0.1	0.2	0.15	0.5	3.9	5.6
51223 Glycerol and glycerol lyes	-	73	Negl.	Negl.	Negl.	Negl.
51229 Other	-	104	-	11	-	34
51230 Ethers, expoxides, acetals-	-	22	-	2.8	-	2.8
51240 Aldehyde - Ketone - and quinone - function com- pounds	-	42	-	4	-	15
51250 Acids and their halogen- ated, sulphonated, in- trated or introsated derivates	-	246	-	28	-	70
51260 Inorganic esters, their sallo and derivates	-	5.5	-	Nil	-	Nil
51270 Nitrogen-Function compounds	-	45	-	104	-	98
51280 Organo-Inorganic & hetorocyelic compounds	-	216	-	3	-	119
51290 Other organic chemical	-	160	-	20	-	45
51310 Oxygen, nitrogen, hydrogen, rare gases	-	2	-	2	-	2.8
51321 Chlorine	-	8	-	4	-	10
51322 Sulphur, sublimed or precipitate; collo- dial sulphur	-	47	-	5	-	4

(contd....)

Table 25 (contd.....)

Item	East Africa					
	1965		1966		1967	
	Qty.	Value	Qty.	Value	Qty.	Value
1	8	9	10	11	12	13
51210 Hydrocarbons and their halogenated, sulfonated, intrated or introsated drivates	-	182	-	238	-	244
51221 Methyl alcohol (Methanol) 20 '000 Qty. (Imp. Gallons)		22	65	56	44.7	45.6
51222 Ethyl alcohol, undenatured, of atleast 80 degrees strength, & denatured spirits '00 (Imp. Gallons)	3.5	8	11	19	4.1	6.0
51223 Glycerol and glycerol lyes	-	25	-	56	-	76
51229 Other	-	92	-	101	-	147
51230 Ethers, expoxides, acetals	-	19	-	14	-	27.6
51240 Aldehyde-ketone-and qui-non-function compounds	-	74	-	90	-	61
51250 Acids & their halogenated, sulphonated, intrated or introsated derivatives	-	274	-	314	-	314
51260 Inorganic esters, their sallo and derivatives	-	5	-	5.5	-	5.5
51270 Nitrogen-Function compounds	-	408	-	300	-	247
51280 Organo - Inorganic & heterocyclic compounds	-	370	-	400	-	338
51290 Other organic chemical	-	202	-	305		225
51310 Oxygen, nitrogen, hydrogen, rare gases	-	3	-	8	-	6.8
51321 Chlorine	-	28	-	39	-	22
51322 Sulphur, sublimed or precipitate; colloidal sulphur	-	2	-	8	-	56

(contd.....)

Table 25 (contd....)

Item	Kenya		Uganda		Tanzania	
	1967		1967		1967	
	Qty.	Value	Qty.	Value	Qty.	Value
1	2	3	4	5	6	7
51329 Other	-	-	-	-	-	-
51331 Hydrochloric & chloro sulphonic acids	-	32	-	10	-	10
51332 Sulphur dioxide	-	7	-	-	-	-
51333 Sulphuric acids; oleum	-	7	-	8	-	13
51334 Nitric acid, sulphoni- tric acids	-	5	-	6	-	2
51335 Phosphorous pertoxide & phosphoric acids	-	14	-	Negl.	-	2
51336 Arseric trioxide, arseric pentoxide & acids of arseric	-	4	-	Negl.	-	1
51337 Boric oxide & boric acid	-	1	-	Negl.	-	Negl.
51339 Other inorganic acids & oxygen compound or non- metals or metalloides	-	26	-	6	-	3
51340 Halogen & sulphur compounds of non-metals or metalloides	-	Negl.	-	Negl.	-	Negl.
51350 Metallic oxides of kinds principally used in paints	-	-	-	-	-	-
Total Qty. '000 cental	17	316	2	31	6	106
Imports from India	0.7	3	0.1	0.3	0.1	0.5
51361 Caustic soda Qty. '000 cental	52	107	62	202	38	134
51362 Caustic potash	-	19	-	Negl.	-	Negl.
51369 Other inorganic bases & metallic oxides, hydroxides & peroxide	-	29	-	Negl.	-	8

(contd.....)

Table 25 (contd.....)

Item	East Africa					
	1965		1966		1967	
	Qty.	Value	Qty.	Value	Qty.	Value
1	8	9	10	11	12	13
51329 Other	-	73	-	-	-	76
51331 Hydrochloric & chloro sulphonic acids	-	106	-	37	-	52
51332 Sulphur dioxide	-	4	-	4	-	7
51333 Sulphuric acids; oleum	-	28	-	31	-	28
51334 Nitric acid, sulphoni- tric acids	-	14	-	6	-	13
51335 Phosphorous pertoxide & phosphoric acids	-	20	-	19	-	16
51336 Arseric trioxide, arseric pentoxide & acids of arseric	-	Negl.	-	Nil	-	5
51337 Boric oxide & boric acid	-	Negl.	-	4	-	1
51339 Other inorganic acids & oxygen compound or non- metals or metalloides	-	22	-	28	-	35
51340 Halogen & sulphur com- pounds of non-metals or metalloids	-	2	-	3	-	Negl.
51350 Metallic oxides of kinds principally used in paints. Total Qty. '000 cental	20	396	22	370	25	453
Imports from India	-	2	1.4	6	0.9	3.8
51361 Caustic soda Qty. '000 cental	182	790	212	741	152	523
51362 Caustic potash	-	2	-	4	-	19
51369 Other inorganic bases and metallic oxides, hydroxides & peroxide	-	39	-	62	-	37

(contd.....)

Table 25 (contd.....)

Item	Kenya		Uganda		Tanzania	
	1967		1967		1967	
	Qty.	Value	Qty.	Value	Qty.	Value
1	2	3	4	5	6	7
51401 Metallic salts & perony salts of inorganic acids						
copper sulphate	-	7	-	Negl.	-	Negl.
51402 Cyanides & complex cyanides	-	-	-	-	-	-
51403 Sodium carbonatic, neutral (soda ash)	-	-	-	-	-	2
51404 Sodium silicate	-	8	-	22	-	7
51409 Other	-	538	-	268	-	204
		India		1		1
51491 Calcium carbide Qty.'000 cental	11.7	67	5	31	5	31
51499 Other inorganic compounds N.E.S.	-	14	-	12	-	12
Total of All Chemicals	-	2441.7	-	822.0	-	998.2

Source: East African Customs - Annual Trade Report.

Table 25 (contd.....)

Item	East Africa					
	1965		1966		1967	
	Qty.	Value	Qty.	Value	Qty.	Value
1	4	9	10	11	12	13
51401 Metallic salts & perony salts of inorganic acids copper sulphate	-	20	-	40	-	8
51402 Cyanides & complex cyanides	-	108	-	25	-	-
51403 Sodium carbonatic, neutral (soda ash)	-	2	-	2	-	2
51404 Sodium silicate	-	39	-	44	-	37
51409 Other	-	893	-	1226	-	1010
		India		12		6
51491 Calcium carbide						
Qty. '000 cental	23	132	-	70	21.7	129
51499 Other inorganic compounds N.E.S.	-	28	-	68	-	38
Total of All Chemicals	-	4434	-	4807	-	4312.5

Table 26

RUBBER TYRES AND TUBES(Value '000 U.S.\$)
(Qty. Numbers)

Item		Kenya					
		1965		1966		1967	
		Qty.	Value	Qty.	Value	Qty.	Value
		2	3	4	5	6	7
Rubber tyres and tubes	A	308500	2135	417500	2743	301036	2033
	B	4500	3	15100	9.3	12529	54.7
	C	1.3	0.14	3.6	0.3	4.3	1.8
Motor vehicle tyres	A	129000	1700	14900	2097	127568	1725
	B	Nil	Nil	Nil	Nil	3664	47
	C	-	-	-	-	2.9	2.7
Bicycle tyres	A	44800	43	55000	53	21800	21
	B	4500	3	5000	5	2600	2.7
	C	10.0	7.0	9.1	9.4	12.0	12.9
Tyres, tractor, grader, bulldozer, etc.	A	7100	236	7500	342	7062	232
	B	Nil	Nil	Nil	Nil	Nil	Nil
	C	-	-	-	-	-	-
Motor vehicles tubes	A	121000	176	146000	218	121517	165
	B	Nil	Nil	100	0.8	2765	3.6
	C	-	-	Negl.	Negl.	2.3	2.2
Bicycle tubes	A	-	-	57000	20	20840	62
	B	-	-	10000	4	3500	1.4
	C	-	-	17.5	20.0	15.8	2.3
Tubes, tractors, graders, bulldozer, etc.	A	2200	15	3000	16	2279	14
	B	Nil	Nil	Nil	Nil	Nil	Nil
	C	-	-	-	-	-	-

(Contd.....)

Table 26 (Contd.)

(Value '000 U.S.\$)
(Qty. Numbers)

		Uganda					
Item		1965		1966		1967	
		Qty.	Value	Qty.	Value	Qty.	Value
1		8	9	10	11	12	13
Rubber tyres and tubes	A	549334	2412	274717	2499	241959	2615
	B	3021	3.1	Nil	Nil	77	1.4
	C	0.5	0.1	-	-	Negl.	Negl.
Motor vehicle tyres	A	77273	1860	84525	2181	95346	2204
	B	Nil	Nil	Nil	Nil	77	1.4
	C	-	-	-	-	Negl.	Negl.
Bicycle tyres	A	134955	129	17600	8.4	34948	31
	B	3021	3.1	-	-	-	-
	C	2.2	2.4	-	-	-	-
Tyres, tractor, grader, Bulldozer, etc.	A	2962	157	2079	101	2643	151
	B	Nil	Nil	Nil	Nil	Nil	Nil
	C	-	-	-	-	-	-
Motor vehicles tubes	A	75696	165	86084	190	97420	204
	B	Nil	Nil	Nil	Nil	Nil	Nil
	C	-	-	-	-	-	-
Bicycle Tubes	A	255778	88	11923	4.5	9904	2.9
	B	Nil	Nil	Nil	Nil	Nil	Nil
	C	-	-	-	-	-	-
Tubes, tractors, graders bulldozer, etc.	A	2670	14	2406	14	1698	9
	B	nil	nil	Nil	Nil	Nil	Nil
	C	-	-	-	-	-	-

(Contd.....)

Table 26 (Contd.)

(Value: '000 U.S.\$)
(Qty. : Numbers)

Item		Tanzania					
		1965		1966		1967	
		Qty.	Value	Qty.	Value	Qty.	Value
1		14	15	16	17	18	19
Rubber tyres and tubes	A	2100	2033	465700	2987	355116	3402
	B	Nil	Nil	7200	3	12841	25.1
	C	-	-	1.5	0.1	3.7	0.8
Motor vehicle tyres	A	29900	942	41400	1513	42300	1527
	B	Nil	Nil	Nil	Nil	691	19
	C	-	-	-	-	1.6	1.2
Bicycle tyres	A	7200	63	76800	61	55121	47
	B	-	-	2200	2	7250	4.7
	C	-	-	3.0	3.3	13.1	10.0
Tyres, tractor, grader, bulldozer, etc.	A	4000	224	4400	304	7703	353
	B	Nil	Nil	Nil	Nil	Nil	Nil
	C	-	-	-	-	-	-
Motor vehicles tubes	A	82200	193	93900	243	101793	287
	B	Nil	Nil	Nil	Nil	Nil	Nil
	C	-	-	-	-	-	-
Bicycle tubes	A	231200	50	246000	52	144724	30
	B	Nil	Nil	5000	1	4900	1.4
	C	-	-	2.0	2.0	4.1	4.6
Tubes, tractors, graders, bulldozer, etc.	A	1800	14	2200	19	3170	25
	B	Nil	Nil	Nil	Nil	Nil	Nil
	C	-	-	-	-	-	-

(Contd.....)

Table 26 (Contd.)

(Value: '000 U.S.\$)
(Qty. : Numbers)

Item	West Africa					
	1965		1966		1967	
	Qty.	Value	Qty.	Value	Qty.	Value
1	20	21	22	23	24	25
Rubber tyres and tubes	A 1323934	6530	1157917	3232	898141	8955
	B 7521	6.1	22300	12.8	25447	81.2
	C 0.6	0.1	1.9	0.15	2.8	0.9
Motor vehicle tyres	A 236173	4502	275025	5797	265214	5456
	B Nil	Nil	Nil	Nil	4432	67.4
	C -	-	-	-	1.7	1.2
Bicycle tyres	A 251755	235	139400	122.4	111869	99
	B 7521	6.1	7200	7	9850	7.4
	C 3.0	2.6	5.3	5.7	9.01	7.5
Tyres, tractor, grader, bulldozer, etc.	A 14062	607	14879	747	17408	736
	B Nil	Nil	Nil	Nil	Nil	Nil
	C -	-	-	-	-	-
Motor vehicles tubes	A 178896	534	325984	651	320730	655
	B Nil	Nil	100	0.8	2765	3.6
	C -	-	0.03	0.1	0.9	0.5
Bicycle tubes	A 486978	138	314923	76.5	175468	95
	B Nil	Nil	15000	5	8400	2.8
	C -	-	4.8	6.5	4.8	3.0
Tubes, tractors, graders, bulldozer, etc.	A 6670	43	7606	49	7147	48
	B Nil	Nil	Nil	Nil	Nil	Nil
	C -	-	-	-	-	-

A : Total Imports.

B : Imports from India.

C : Percentage share of India.

Table 27

IMPORTS OF PAPER

(Qty. in Tonnes)
(Value in '000 U.S.\$)

		East Africa					
		1965		1966		1967	
		Qty.	Value	Qty.	Value	Qty.	Value
Paper, paper board and manufactured thereof	A	-	15531	-	13342	-	19363
	B	-	30	-	78	-	130
	C	-	0.2	-	0.4	-	0.67
Newsprint paper (M. tonnes)	A	4705	814	5368	900	6254	1089
Uncoated writing & printing paper	A	10110	2171	7888	3799	12235	364
	B	-	-	72	21	294	75
	C	-	-	-	0.55	-	2.0
Coated writing & printing paper (M.T.)	A	538	246	211	140	198	142
Kraft paper & kraft paper board	A	14007	3360	13177	6236	22981	5143
Cigarette paper	A	230	269	294	291	317	337
Machine made paper n.e.s.	A	7436	1792	8843	2254	2933	2170
Chipboard '000 sq. ft.	A	324	45	367	72	590	64
Hard Board '000 sq. ft.	A	9189	277	14734	400	1093	300

(Contd.....)

Table 27 (Contd.)

(Qty. in Tonnes)
(Value in '000 U.S.\$)

		East Africa					
		1965		1966		1967	
		Qty.	Value	Qty.	Value	Qty.	Value
Soft board '000 sq.ft.	A	10472	459	7026	288	6015	249
Other '000 sq.ft.	A	895	104	961	112	2059	188
Parchment or grease proof paper	A	387	154	324	127	387	168
Composite pap- per & paper board	A	29	14	45	17	29	93
Corrugated, etc., paper & board	A	29	1	130	50	58	134
Ruled or squ- ared paper	A	15	4	9	4	33	10
Impregnated or coated paper (M. T.)	A	1980	1347	2475	1534	2925	2024
Paper bags, paper board boxes, etc.	A	774	585	783	441	729	630
Envelopes, wri- ting pads, etc.	A	427	484	567	543	489	541

(Contd.....)

Table 27 (Contd..)

(Qty. in Tonnes)
(Value in 1000 U.S.\$)

		East Africa					
		1965		1966		1967	
		Qty.	Value	Qty.	Value	Qty.	Value
Exercise books, registers, etc.	A	580	654	607	770	480	619
	B	3	8	13	17	12	15
	C	-	-	-	-	-	-
Cigarette paper cut to size	A	9	20	18	42	13	30
Carbon & other copying paper	A	-	46.3	-	46.4	-	46.2
	B	-	8	-	13	-	18
	C	-	1.7	-	2.8	-	4.0
Others	A	-	1243	-	1599	-	1377
	B	-	14	-	29	-	22
	C	-	1.1	-	1.8	-	1.6

A : Total Imports.

B : Imports from India.

C : Percentage share of India.

Table 28IMPORTS OF SPICES

(Value: '000 U.S.\$)

(Qty: '00 Pounds)

		Uganda					
		1965		1966		1967	
		Qty.	Value	Qty.	Value	Qty.	Value
		1	2	3	4	5	6
Spices:	A	7	168	7	175	6	137
	B	4	109	6	122	4	91
	C	57.14	64.9	85.71	69.7	66.67	66.4
Other pepper & pimento	A	251	11	343	15	276	11
	B	61	2.5	117	4.5	131	4.4
	C	24.3	22.7	34.1	30.0	47.46	40.0
Others	A	7048	151	6628	154	5746	120
	B	4312	106	5419	118	4323	87
	C	61.2	70.2	81.7	76.6	75.23	72.5

(Contd.....)

Table 28 (Contd.)

(Value '000 U.S.\$)
(Qty: '00 Pounds)

		Tanzania					
		1966		1966		1967	
		Qty.	Value	Qty.	Value	Qty.	Value
		7	8	9	10	11	12
Spices:	A	10	244	10	236	9	222
	B	7	192	6	130	5	170
	C	70.00	78.7	60.00	55.1	55.56	76.6
Other pepper & pimento	A	900	36	1100	43	900	29
	B	259	9	200	10	43	2
	C	33.3	25.00	13.1	23.2	4.78	6.9
Others	A	8800	203	8800	193	7941	168
	B	7000	147	5800	121	4530	87
	C	79.5	72.4	75.8	62.6	57.05	51.8

(Contd.....)

Table 28 (Contd.)

(Value '000 U.S.\$)
(Qty: '00 Pounds)

		Kenya					
		1965		1966		1967	
		Qty.	Value	Qty.	Value	Qty.	Value
		13	14	15	16	17	18
Spices	A	11	226	14	308	14	199
	B	6	133	8	154	5	88
	C	54.55	58.8	57.14	50.0	35.71	44.2
Other pepper & pimento	A	838	35	915	39	1258	38
	B	86	4	148	5.6	90	3.6
	C	10.7	11.4	16.2	14.5	7.15	9.47
Others	A	9000	188	13000	269	11656	138
	B	6000	129	8000	148	4590	84
	C	66.7	68.6	61.5	55.0	39.38	60.9

(Contd....)

Table 28 (Contd.)

(Value : '000 U.S.\$)
(Qty. : '00 Pounds)

		East Africa					
		1965		1966		1967	
		Qty.	Value	Qty.	Value	Qty.	Value
		19	20	21	22	23	24
Spices	A	28	638	31	719	29	558
	B	17	434	20	406	14	349
	C	60.71	68.0	64.52	56.5	48.29	62.5
Other pepper & pimento	A	1989	82	2358	97	2434	78
	B	406	16	465	21	264	10
	C	20.41	19.51	19.72	21.65	10.85	12.82
Others	A	24848	542	28428	616	25343	426
	B	17312	382	19219	387	13443	258
	C	69.67	70.48	65.31	62.82	53.04	60.56

A : Total Imports.

B : Imports from India.

C : Percentage share of India.

Table 29

IMPORTS BY EAST AFRICAN RAILWAYS

('000 U.S.\$)

	Unit of quan- tity	1965		1966		1967	
		Qty.	Value	Qty.	Value	Qty.	Value
	1	2	3	4	5	6	7
73120 <u>Railway Locomotives</u> <u>Electrical</u>							
Other than self- generating	A	No.	1	14	-	4	34
73130 Railway locomotives other than steam or electric	A	No.	2	72	1	6	3601
73140 Mechanically pro- pelled railway and tramway cars, passenger	A	No.	3	25	-	6	22
73160 Railway wagons	A B C	No.	334 - -	1310 - -	466 326 69.96	2481 1103 44.47	1224 38 3.10
73170 Parts of railway locomotive and rolling stock, nees.	A B C	No.	- - -	1738 - -	- - -	3371 Negl. -	2193 386 17.60

(Contd.....)

Table 22 (Contd.)

('000 U.S.\$)

	Unit of quantity	1965		1966		1967	
		Qty.	Value	Qty.	Value	Qty.	Value
	1	2	3	4	5	6	7
67610 Rails of iron or steel (Quantity in Tons)	A Metric Tonnes	3	2	2457	316	9365	1238
67620 Sleepers and other railway track material of iron or steel (Quantity in Metric Tonnes)	A " B C	236 - -	34 - -	1788 - -	356 - -	11650 162 1.39	1728 45 2.60

A : Total Imports.

B : Imports from India.

C : Percentage share of India.

Table 30

ESTIMATE OF POTENTIAL OF INDIA'S EXPORTS

('000 \$)

Commodity	<u>Actual Exports</u>		<u>Potential</u>
	<u>'1967-68</u>	<u>'1968-69</u>	<u>'for 1974</u>
1. Textiles (Non-Jute)	4,853	5,135	3,000
2. Jute textiles	2,332	1,813	2,000
3. Tea	46	58	-
4. Spices	209	276	200
5. Rice	216	52	400
6. Fish and Fish products	13	5	-
7. Iron ore	23	-	-
8. Iron & steel products	1,283	2,722	5,000
9. Electrical Machinery and appliances.	69	641	1,000
10. Non-Electrical Machinery	507	976	2,000
11. Machine tools	120	61	500
12. Diesel engines	16	12	-
13. Railway equipment	132	872	1,000
14. Motor vehicles & parts	170	316	-
15. Bicycles & parts	368	655	1,000
16. Rubber tyres and tubes	114	161	500
17. Small tools & hand tools	20	39	300
18. Medicines & Pharmaceuticals	160	302	1,000
Sub Total	<u>10,649</u>	<u>14,096</u>	<u>17,900</u>
19. Perfumery, cosmetics	142	212	300
20. Cinematographic films	170	374	600
21. Paper and paper board	123	207	500
22. Metal & Metal products	360	1,181	15,700
23. Cement	5	129	
23. Diamonds	26	24	
25. Oilseeds	71	11	
26. Clothing	1,133	394	
27. Footwear	70	27	
28. Other food products	165	369	
29. Others	2,480	3,332	
Total	15,394	20,356	35,000

Appendix 1THE SURVEY TEAMDirector - General

Shri S. Bhoothalingam

Project Director

Shri R.S. Sharma

ConsultantsIndian

Shri N.J. Kamath
Shri B.N. Khosla

Foreign

Dr. Morton C. Grossman
Mr. William H. Rusch

Economists

Shri S.R. Chawla
Dr. R.G. Gidadhubli
Shri N.R. Gopalakrishnan
Dr. P.C. Jain
Shri K. Kasturi
Shri V. Krishnamurthy

Shri P.K. Krishnaswamy
Shri P.L. Narayana
Shri R.K. Patil
Dr. T. Rameswara Rao
Shri T.R. Sehgal
Shri N. Venkataraman

Appendix 2LIST OF OFFICES, PERSONS CONTACTED DURING THE FIELD VISITI. Government Officialsa) Tanzania - Dar-es-Salaam

1. Ministry of Commerce and Industry
2. Ministry of Economic Affairs & Planning
3. Ministry of Finance
4. Central Statistical Bureau
5. Central Tender Board
6. Superintendent of Stores Purchase

b) Uganda

7. Ministry of Commerce & Industry, Kampala
8. Ministry of Economic Affairs & Planning, Entebbe
9. Ministry of Agriculture, Entebbe
10. Chief Statistician, Department of Planning & Economic Affairs, Entebbe
11. Ministry of Finance, Entebbe
12. Central Tender Board, Entebbe
13. Chief Supply Officer, Ministry of Works & Housing, Entebbe.

c) Kenya, Nairobi

14. Ministry of Economic Affairs & Planning

II. Government Printers

15. Dar-es-Salaam
16. Entebbe
17. Nairobi

III. Development Corporations

18. National Development Corporation, Development House, Dar-es-Salaam.
19. Industrial Promotion Services, Dar-es-Salaam.
20. Tanganyika Development Finance Company Ltd., P.O. Box 2478, Dar-es-Salaam.
21. Industrial Studies & Development Centre, Development House, Dar-es-Salaam.
22. Uganda Development Corporation Ltd., Development House, Kampala.

IV. Central Banks

23. Bank of Tanzania, Dar-es-Salaam
 - (a) Manager Research & Statistics
 - (b) Manager Foreign Exchange
 - (c) Foreign Exchange Controller
24. Bank of Uganda, Kampala
 - (a) Deputy Governor
 - (b) Foreign Exchange Department
 - (c) Research & Statistics Department

V. Commercial Banks

25. Tanzania Bank of Commerce, Dar-es-Salaam
26. Bank of India, Kampala
27. Bank of Baroda, Kampala
28. National & Grindlays Bank, Kampala
29. Bank of India, Nairobi
30. Bank of Baroda Nairobi.

VI. Other Financial Institutions

31. Life Insurance Corporation of India, Kampala
32. Housing Finance Corporation, Kampala Road, Kampala.

- 33. Life Insurance Corporation of India, Nairobi.
- 34. East African Underwriters Ltd., Jeewan Bharti Building, Nairobi.

VII. Chambers of Commerce

- 35. Dar-es-Salaam Chamber of Commerce, P.O. Box 41, Dar-es-Salaam.
- 36. The Dar-es-Salaam Merchants Chamber, P.O. Box 12, Dar-es-Salaam.
- 37. Arusha Chamber of Commerce, Arusha
- 38. Uganda Chamber of Commerce, Box 2369, Kampala
- 39. Kenya Chamber of Commerce, Nairobi.

VIII. State Trading Organisations

- 40. State Trade Corporation, Dar-es-Salaam
(All divisions - Grocery, General Merchandise, Textiles, Technical, Textiles and Exports)
- 41. National Trading Corporation, Kampala

IX. Other Government/Semi-Government Institutions

- 42. Tanganyika Electric Supply Co. Ltd., Dar-es-Salaam
- 43. Uganda Electricity Board, Kampala
- 44. Tanganyika Tea Board, Dar-es-Salaam
- 45. Lint Marketing Board, Amber House, Box 518, Kampala
- 46. Uganda Cooperative General Union Ltd., 47, Jinga Road, Kampala.

X. East African Community

- 47. Collector of Customs, Custom House, Dar-es-Salaam
- 48. Secretary General, Arusha
- 49. Deputy Secretary General, Arusha
- 50. Research & Statistics Department, Arusha
- 51. Director-General, East African Development Bank, Kampala
- 52. General Manager, East African Railways Corporation, Nairobi.

- 53. Port Manager, East African Harbours, Mombasa
- 54. Chief Customs Collector, East African Customs, Mombasa
- 55. Statistics Department, Nairobi.

XI. Government of India

- 56. India High Commission, Dar-es-Salaam
- 57. India High Commission, Kampala
- 58. India High Commission, Nairobi
- 59. State Trading Corporation of India, Jeewan Bharti, Nairobi
- 60. Engineering Export Promotion Council, Box 2030, Nairobi
- 61. Cotton Textile Export Promotion Council, Nairobi
- 62. Silk & Rayon Textiles Export Promotion Council, Nairobi
- 63. Shipping Corporation of India Ltd., Mombasa.

XII. Publicity Agencies

- 64. Tanganyika Advertising Corporation Ltd., Box 2704, Dar-es-Salaam
- 65. Kenya Advertising Corporation Ltd., Box 503, Nairobi
- 66. Publicity Services Ltd., Box 2581, Kampala.

XIII. Shipping, Forwarding Companies/Agents

- 67. Dodwell & Co. (FA) Ltd., Box 1530, Dar-es-Salaam
- 68. Warehousing & Forwarding Company of Uganda Ltd., Box 3199, Kampala
- 69. Smith Mackenzie & Co. Ltd., Box 120, Mombasa
- 70. African Mercantile Lines, Mombasa

XIV. Indenting Agents

- 71. Associated Commercial Enterprize Ltd., Box 230, Dar-es-Salaam.

72. Chaudry & Dinsmoor (T) Ltd., Box 2628, Dar-es-Salaam.
73. Mubiru Musoke Agencies, Box 3929, Kampala.
74. Dastur Ltd., Box 1240, Kampala
75. M.L. Trading Co. (U) Ltd., Box 277, Kampala
76. United Commercial Agencies Ltd., Box 2090, Kampala.
77. Overseas Commercial & General Agencies, Box 3117, Mombasa.
78. Intercean Trading Company, Box 5392, Nairobi.
79. Zirobi (Kenya) Ltd., Box 1428, Nairobi.

XV. Importers, Manufacturers, Dealers

a)	<u>Dar-es-Salaam</u>	<u>P.O.Box</u>
80.	Auto Electric & Hardware Ltd.	1555
81.	Aluminium Africa Ltd.,	9293
82.	Aichelis Motrox (T) Ltd.,	2721
83.	Asar Ltd.	674
84.	B. Choitram	63
85.	Car & Accessories Ltd.	9110
86.	Electra House	20605
87.	Fidda Hussein & Co. Ltd.	816
88.	G.S. Rughani (Y) Ltd.	679
89.	GAK Patel & Co. Ltd.	397
90.	Garment Manufacturers Ltd.	
91.	Hind Commercial Co.	626
92.	Jivanjee Hardware Stores Ltd.	156
93.	Kothari & Mehta Bros. Ltd.	532
94.	Kartar Singh & Hari Singh	777
95.	Lehman's (East Africa) Ltd.	9163
96.	National Milling Corporation	9251
97.	Old East Africa Trading Co. Ltd.	165
98.	Patel Construction Co.	1646
99.	Palray Ltd.	1916
100.	P. Mulji & Co.	462
101.	Reco Engineering Co.	873
102.	Shah Brothers Ltd.	1055
103.	Sniles Corporation	1417
104.	Sunderji Nanji Ltd.	315
105.	S. Sarda & Associates	470
106.	Timber & Hardware Ltd.	631.

P.O.Box

107. Tanganyika Traders	285
108. Twiga Paper Products	20192
109. Tanganyika Textile Industries Ltd.	1830
110. Tanganyika Chemist	993
111. Tanganyika Hardware Stores	20159
112. Vishramji Bros.	

b) Arusha

113. Tools & Hardware Ltd.	967
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c) Kampala, (Uganda)

114. African Linkers	2372
115. A Baumann & Co.	335
116. Bombay Hosiery Stores(U) Ltd.	65
117. Dhanj Kola Ltd.	348
118. Drapers Ltd.	232
119. Enfield Cables Ltd.	3330
120. East African Aluminium Works Ltd.	739
121. Electric Trading Company	4629
122. ECTA Ltd.	2658
123. Garyson & Co. (U) Ltd.	878
124. Gian Motors Ltd.	2143
125. Hardware Traders Ltd.	317
126. Jannadas Seth	
127. Kampala General Agency	118
128. Mubiru Musoke Agencies	3929
129. P.T. Shah & Co.	2329
130. Sayani Uganda Ltd., Kampala Road	
131. Uganda Rayon Textiles	4211
132. Uganda Foods Products Ltd.	475
133. Uganda Electric & Radio Co. Ltd.	1655
134. United Builders & Contractors Ltd.	1592
135. United Garments Ltd.	4378
136. Wiggles Worth & Co.(U) Ltd.	2427

P.O.Boxd) Lugazi (Uganda)137. Mehta Group of Industries

- | | |
|--|---|
| a) Mr. Mahendra Mehta - Owner of the Group | 1 |
| b) Financial Adviser | 1 |
| c) Purchase Officer | 1 |
| d) Incharge of Foundry & Cable Factory | 1 |
| e) Manager Sugar Factory | 1 |

e) Jinga (Uganda)138. Madhvani Group 54

- | | |
|--|------|
| a) Jayant Madhvani-Senior Most Partner | 54 |
| b) Manager Sugar Works | 54 |
| c) Manager Purchase Department | 54 |
| d) East Africa Steel Products Ltd. | 1179 |
| e) Mulco Textiles | |

139. Pepco Industries Ltd.140. Sikh Saw Mills & Ginners Ltd. 215f) Nairobi, Kenya

- | | |
|--|-------|
| 141. Alibhai Shariff & Sons | 382 |
| 142. A. Baumann (K) Ltd. | 538 |
| 143. Ageca (K) Ltd. | 11228 |
| 144. B.S. Mohindru & Co. | |
| 145. Colbantra Ltd., Bazar Street | |
| 146. Cycles Ltd. | 1565 |
| 147. Coffee Produce Exchange Ltd., Sharber Moure | |
| 148. Desbro (K) Ltd. | 2469 |
| 149. D.L. Patel Press Ltd. | 73 |
| 150. Ecta (Kenya) Ltd. | 6129 |

P.O.Box

151.	East African Trade Linkers	3859
152.	Essaj Amejji & Sons	6193
153.	G. Nath & Sons	
154.	Heptulla Bros. Ltd.	1008
155.	Household Centre Ltd.	30210
156.	J.J. Patel & Co., Industrial Area	
157.	Mercury Press	1053
158.	Mamubhai & Co.	3887
159.	Modern Electric Co.	1751
160.	Machinery Tools Ltd.	5527
161.	Mitsubushi Shoja Kasha Ltd.	
162.	Nairobi Industrial Estate	
163.	Pan Electric	670
164.	Raman Bhai & Co. Ltd.	1328
165.	Raichand Khemji & Co.	5327
166.	Raichand Prem Chand & Co.	7181
167.	Sanitary Emporium Ltd.	3660
168.	Sardar Singh Vohra Ltd.	1330
169.	Shah Karamshi Panachand & Co. Ltd.	508
170.	Twentsche Overseas Trading Co. Ltd.	12186
171.	Universal Pharmacy Ltd.	102
172.	Zurobi Ltd.	1428

g) Mombasa

173.	Jamshedji Seth & Co. Ltd.	40
174.	Auto Spares Syndicate Ltd.	

XVI. Miscellaneous

175.	US AID, Dar-es-Salaam	
176.	US AID, Nairobi	
177.	Africa Samachar	1237

Appendix 3ITEMS WHOSE IMPORTS ARE ROUTED THROUGH THE STATE
TRADING ORGANISATION IN EAST AFRICAKenya

1. Sugar
2. Rice
3. Salt
4. Soaps
5. Biscuits, sweets and pastry
6. Edible oils
7. Textiles
8. Second-hand clothing

Uganda

1. Sugar
2. Rice
3. Cement
4. Onions
5. Salt
6. Shirts
7. Wines and spirits
8. Steel windows and door frames
9. Spring balances
10. Fish nets
11. Edible oil
12. Ghee
13. Hoes
14. Dry battery and torch cells
15. Holloware products

Tanzania

1. Textiles jute and cotton
2. Wines and spirits

3. Bicycles
4. Cement
5. Sanitary wares
6. Iron mongry
7. Hard and soft board
8. Air conditioners
9. Steel reinforcement bars
10. Window glass
11. Fertilizers
12. Agricultural chemicals
13. Farm tools
14. Poultry equipment
15. Veterinary pharmaceuticals
16. Tyres and tubes
17. Matches
18. Breakfast food
19. Cheese
20. Pork
21. Fish
22. Meat
23. Fruits and vegetables
24. Coffee
25. Machinery (Partially Nationalised)
26. Radios
27. Electronic equipment
28. Bearings.

Appendix 4LIST OF SELECTED ADVERTISING AGENCIESTanzania

1. Tanganiyika Advertising Corporation Ltd.
P.O. Box 2704
Dar-es-Salaam.

Uganda

2. Publicity Services Ltd.,
P.O.Box 2581,
Kampala.
3. Skyline Advertising (V) Ltd.,
P.O. Box 2921,
Kampala.

Kenya (Nairobi)

4. Advertising Associates,
P.O. Box 2006.
5. Kenya Advertising Corporation Ltd.,
P.O. Box 363.
6. Kenya Publicity Services Ltd.,
P.O. Box 8636.
7. Skyline Advertising Ltd.,
P.O. Box 30048.

Appendix 5BROAD CATEGORIES OF GOODS, THE IMPORTS OF WHICH ARE
SUBJECT TO IMPORT LICENCE

1. Meat, fresh and preserved
2. Rice and wheat
3. Other cereals and their preparations
4. Butter and ghee
5. Fruits and vegetables, fresh and preserved
6. Milk and cream (Kenya and Tanzania only)
7. Sugar, sugar preparations and honey
8. Sweets, toffees and caramels
9. Coffee (Uganda and Tanzania only)
10. Spices
11. Feeding stuff for animals, like oil cakes
(Kenya & Uganda only)
12. Edible fats, vegetable or animal, like Margarine,
limitation land, and other prepared fats.
13. Other food preparations like, ice cream, ice cream
powders, ghee substitutes, etc.
14. Alcoholic and non-alcoholic beverages like, Beer,
Gin and Geneva, Mineral, Aerated and Lemonade and
flavoured water (Uganda and Tanzania only)
15. Oilseeds, oil nuts and oil kernels (Uganda & Kenya
only).
16. Petroleum and petroleum products
17. Vegetable oils and fats,.
18. Paints, enamels, lacquers, varnishes and distempers
19. Toilet preparations, perfumery and cosmetics
20. Soaps, toilet and other
21. Domestic washing preparations and detergents
22. Fertilizers (Kenya and Uganda only).
23. Polishes, pastes, powder for polishing and
preserving leather, wood, metal, glass, etc.
24. Explosives and pyrotechnic products (Uganda and
Tanzania only).
25. Bicycle tyres and tubes (Kenya and Tanzania only)
26. Plastic materials and manufactures (Kenya and
Tanzania only).

27. Insecticides and fungicides (Kenya & Tanzania only)
28. Cotton textiles
29. Fabrics of synthetic and man-made fibres
30. Jute fabrics (Tanzania and Uganda only)
31. Cordage, rope and twine of jute or sisal (Uganda and Tanzania only)
32. Fishing nets and netting (Tanzania & Uganda only)
33. Blankets, travelling rugs, and similar articles
34. Tarpaulins and tents
35. Cement
36. Asbestos products
37. Glassware (Tanzania and Kenya only)
38. Diamonds, industrial and other
39. Iron & Steel bands, rods, angles, etc.
40. Universal, plates and sheets
41. Wire nails, screws, nuts, etc., (Kenya & Tanzania only)
42. Domestic utensils
43. Finished structural parts
44. Hand tools and small tools
45. Telecommunication apparatus and radios, television sets, etc.
46. Domestic electrical appliances
47. Motor vehicles batteries
48. Buses, lorries, trucks, passenger cars, motor cycles (Uganda & Kenya only)
49. Bicycles and bicycle parts (Kenya and Tanzania only)
50. Furniture of all types
51. Clothing
52. Footwear
53. Developed cinematographic films (Kenya and Tanzania only).
54. Articles of artificial plastic materials (Uganda and Kenya only)
55. Jewellery of gold, silver and platinum group (Uganda & Kenya only)
56. Matches
57. Other miscellaneous manufactured articles

(Detailed list of commodities are available in respect of each country).

Appendix 6THE UNITED REPUBLIC OF TANZANIA

Imports Control Ordinance No. 33 of 1950

APPLICATION FOR IMPORT LICENCE

(A separate form of application should be submitted for
each separate class of goods shown in the Customs Import
List)

I/We

of

hereby apply for a licence to import the following goods:

Full trade description of goods

Weight of quantity

Value of c.i.f. Shs.

Name and address of exporter

.....

Country of origin or manufacture

Country from which consigned.....

It is certified that the above goods have not, as yet,
been imported into Tanzania.

I/We hold a valid Trading Licence No.....
under Section 6(I) of the Traders Licensing Ordinance
(Cap.208).

(Contd..)

Date of issue Category

Place

Date
Signature of Applicant

NOTE: When an Application is granted, the original of the proposed indent will be returned to the sender with the licence. Goods ordered and allowed to come forward for which a prior import licence has not been obtained will be refused entry and all goods imported without a licence are liable to forfeiture under the provisions of Sections 46 and 204(b) of the Customs Ordinance.

IMPORT LICENCE

Serial No.....

The goods shown on this application
are licensed for import into Tanzania Indent No.....

Valid for shipment within months from date of issue

Dar-es-Salaam

.....19.....

.....
for Imports Controller

Valid for importation through Tanzanian
Ports only.

To be submitted in quadruplicate.

Original to be produced at time of importation.

Duplicate to be produced to Suppliers.

Appendix 7

IMPORT DUTIES IN EAST AFRICA

(Details regarding the import tariff have been given in the sections dealing with the commodity studies. Only the duties as applicable to broad groups are given below).

<u>Sl. No.</u>	<u>Item</u>	<u>Import Duty</u>
1.	Live animals	Free
2.	Meat and edible meat offals	50%
3.	Fish, crustaceous and molluses	37½ to 50%
4.	Dairy produce, birds' eggs; natural crony	30% to 50%
5.	Products of animal origin, not elsewhere specified or included	0 - 30%
6.	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	0 - 30%
7.	Edible vegetables and certain roots and tubers	30% to 50%
8.	Edible fruits, and nuts, peel of melons or citrus fruit	30% to 50%
9.	Coffee, tea, maté and spices	0 - 50%
10.	Cereals (in the case of duty-free suspended duties are applicable)	0 - 30%
11.	Products of the milling industry; malt and starches, gluten; inulin	0 - 50%

<u>Sl.</u> <u>No.</u>	<u>Item</u>	<u>Import Duty</u>
12.	Oilseeds and oleogenous fruit, miscellaneous grains seeds and fruits, industrial and medical plants, straw and fodder	0 -50%
13.	Raw vegetable materials of a kind suitable for use in dyeing or in tanning; laces, gums, resins and other vegetable saps and extracts.	0 -30%
14.	Vegetable plaiting and carving materials; vegetable products not elsewhere specified or included	30%
15.	Animal and vegetable fats and oils and their cleavage products; prepared edible fats; animal and vegetable waxes	0 -50%
16.	Prepared foodstuffs, beverages, spirits and vinegar; tobacco	50%
17.	Sugars and sugar confectionary	30% to 50%
18.	Cocoa and cocoa preparations	15% to 50%
19.	Preparations of cereals, flour or strach; pastrycooks' products	15% to 50%
20.	Preparations of vegetables, fruits or other parts of plants	30% to 50%
21.	Miscellaneous edible preparations	0 to 50%
22.	Beverages, spirits and vinegar	0 - 200 shs. per gallon
23.	Residuous and waste from food industries, prepared animal fodder	0 to 50%
24.	Tobacco	Shs 10-80 per lb to Shs 74/40 per lb

<u>S.No.</u>	<u>Item</u>	<u>Import Duty</u>
25.	Salt, sulphur, earths and stone; plastering materials, lime and cement	0 - 30%
26.	Metallic ores, slag and ash	Free
27.	Mineral fuels, mineral oils and products of their distillation; bituminous substances, mineral waxes	(0 to Shs (2-30 per (gallon
28.	Inorganic chemicals, organic and inorganic compounds of precious metals, of rare earth metals, of radio active elements and of isotopes	0 to 30%
29.	Organic chemicals	0 to 30%
30.	Pharmaceutical products	0 to 30%
31.	Fertilizers	Free
32.	Tanning and dyeing extracts and their derivatives, dyes, colours, paints and varnishes, putty, fillers and stoppings; inks.	0 to 40%
33.	Essential oils and resinoids; perfumery, cosmetics and toilet preparations	30% to 75%
34.	Soap, organic surface - active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing and scouring preparations, candles and similar articles, modelling pastes and "dental waxes".	0 to 40%
35.	Albuminoidal substances; glues	0 to 30%
36.	Explosives, pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations	0 to 45%
37.	Photographic and cinematographic goods	0 to 30%

38.	Miscellaneous chemical products	0 to 30%
39.	Artificial resins and plastic materials, cellulose ethers and etners; articles thereof	0 to 30%
40.	Rubber synthetic rubber, factice and articles thereof	0 to 30%
41.	Raw hides and skins(other than fur skins) and leather	0 to 33½%
42.	Articles of leather; saddlery and harness; travel goods, hand bags and similar containers; articles of animal gut (other than silk worm gut)	0 to 45%
43.	Fur skins and artificial fur; manufactures thereof	0 to 45%
44.	Wood and articles of wood; wood charcoal	0 to 40%
45.	Cork and articles of cork	0 to 30%
46.	Manufactures of straw, esparto and of other plaiting materials; basketware wickerwork	0 to 37½%
47.	Paper making material	0 to 30%
48.	Paper and paper board; articles of paper pulp, of paper or of paper board	0 to 45%
	(Certain duty-free items are however, subject to suspended duties. While some of the paper packagings, cartons, etc., are given exemption if they are meant for packing the locally produced goods)	
49.	Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans	0 to 30%
50.	Silk and waste silk	30% to 45%
51.	Man-made fibres(continuous)	-do-

52.	Metallised textile	-do-
53.	Wool and other animal hair	-do-
54.	Flax and ramie	30% to 45%
55.	Cotton	0 to 45%
56.	Man-made fibres(discontinuous)	-do-
57.	Other vegetable textile materials; paper yarn and woven fabrics of paper yarn	-do-
58.	Carpets, mats, matting and tapestries; pile and chenille fabrics; narrow fabrics; trimmings; tub and other net fabrics; lace; embroidery	-do-
59.	Wadding and felt; twine, cordage, ropes and cables; special fabrics; impregnated and coated fabrics; textile articles of a kind suitable for industrial use	-do-
60.	Knitted and crocheted goods	33½% to 45%
61.	Articles of apparel and clothing accessories of textile fabrics, other than knitted or crocheted goods	-do-
62.	Other made up textile articles	0 to 45%
63.	Old clothing and other textile articles; rages	30%
64.	Footwear, gaiters and the like; parts of such articles	33½%
65.	Headgear and parts thereof	30%
66.	Umbrellas, sunshades, walking sticks, whips, riding crops and parts thereof	-do-
67.	Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair; fans	-do-
68.	Articles of stone, of plaster, of cement, of asbestos, of mica, and of similar materials	0 to 45%

<u>S.No.</u>	<u>Item</u>	<u>Import Duty</u>
69.	Ceramic products	0 to 33 $\frac{1}{3}$ %
70.	Glass and glassware	0 to 45%
71.	Pearls, precious and semi-precious stones, precious metals, rolled precious metals and articles thereof; imitation jewellery	0 to 40%
72.	Coin	Free
73.	Iron and steel and articles thereof	0 to 37 $\frac{1}{2}$ %
74.	Copper and articles thereof	0 to 33 $\frac{1}{3}$ %
75.	Nickel and articles thereof	0 to 30%
76.	Aluminium and articles thereof	0 to 33 $\frac{1}{3}$ %
77.	Magnesium and beryllium and articles thereof	Free
78.	Lead and articles thereof	0 to 30%
79.	Zinc and articles thereof	-do-
80.	Tin and articles thereof	0 to 23 $\frac{1}{3}$ %
81.	Other base metals employed in metallurgy and articles thereof	Free
82.	Tools, implements, cutlery, spoons and forks of base metal; parts thereof	0 to 37 $\frac{1}{2}$ %
83.	Miscellaneous articles of base metals	0 to 40%
84.	Boilers, machinery and mechanical appliances; parts thereof	0 to 33 $\frac{1}{3}$ %
85.	Electrical machinery and equipments; parts thereof	0 to 50%
86.	Railway and tramway locomotives, rolling-stock and parts thereof; railway and tramway track fixtures and fittings; traffic signalling equipment of all kinds (not electrically powered)	0 to 30%

<u>Sl.</u> <u>No.</u>	<u>Item</u>	<u>Import Duty</u>
87.	Vehicles, other than railway or tramway rolling-stock, and parts thereof	0 to 80%
88.	Aircraft and parts thereof; parachutes; catapults and similar aircraft launching gear; ground flying trainers	Free
89.	Ships, boats and floating structures	Free
90.	Optical, photographic, cinematographic, measuring, checking, precision, medical and surgical instruments and apparatus; parts thereof	0 to 33-3
91.	Clocks and watches and parts thereof	-do-
92.	Musical instruments; sound recorders and reproducers; television image and sound recorders and reproducers, magnetic; parts and accessories of such articles	0 to 37½%
93.	Arms and ammunition; parts thereof	Free
94.	Furniture and parts thereof; bedding furnishings	0 to 33½
95.	Articles and manufactures of carving or moulding material	33½" to 40%
96.	Brooms, brushes, leather dusters, powder - puffs and sieves	0 to 33½
97.	Toys, games and sports requisites; parts thereof	30 to 40%
98.	Miscellaneous manufactured articles	30 to 45%
99.	Works of art, collectors' pieces and antiques	Free

Appendix 8TRADE AGREEMENTS^{1/}

- A. The Government of Kenya has trade agreements with the Governments of the following countries:
- (1) Hungary
 - (2) Bulgaria
 - (3) Poland
 - (4) Federal Republic of Germany
 - (5) U.S.S.R.
 - (6) People's Republic of China
 - (7) Czechoslovakia
 - (8) Yugoslavia
 - (9) U.A.R.
 - (10) Rumania
- B. The Government of Uganda has trade agreements with the Government of the following countries:
- (a) U.S.S.R. (b) China (c) India (List is incomplete).

^{1/} Particulars are not known.

C. The Government of Tanzania has trade agreements with the Governments of the following countries:

- (1) U.A.R.
- (2) U.S.S.R.
- (3) Sweden
- (4) China
- (5) Yugoslavia
- (6) Hungary
- (7) Poland
- (8) India

Appendix 9TEXTILE MANUFACTURERSKenya

1. Kishmu Cotton Mills Ltd.,
P.O. Box 47,
Kishmu.
2. The United Textiles Industries(Kenya) Ltd.,
P.O.Box 30338,
Nairobi.
3. Kenya Rayon Mills Ltd.,
P.O.Box 2476,
Mombasa.
4. Kenya Toray Mills Ltd.,
P.O.Box 4534,
Nairobi.
5. Raymond Woollen Mills(Kenya) Ltd.,
P.O. Box 754,
Nairobi.

Tanzania

6. Blanket Manufacturers Ltd.,
P.O. Box 2647,
Dar-es-Salaam.
7. Calico Textile Industries Ltd.,
P.O. Box 9021,
Dar-es-Salaam.
8. Friendship Textile Mill,
P.O.Box 2982,
Dar-es-Salaam.

9. Tanganyika Dyeing & Weaving Mills Ltd.,
P.O. Box 2621,
Dar-es-Salaam.
10. Tanganyika Textile Industries Ltd.,
P.O. Box 1330,
Dar-es-Salaam.
11. Tasiri Textiles Co. Ltd.,
P.O.Box 9164,
Dar-es-Salaam.
12. Kilimanjoro Blanket Corporation Ltd.,
P.O.Box 5020,
Tonja.
13. Kilimanjoro Textile Mills,
P.O.Box 3176, Arusha.
14. Mwanza Textile Mill,
Mwanza.

Uganda

15. Mulco Textiles Ltd.,
P.O.Box 472,
Tinja.
16. Nyanza Textiles Mills.
17. Uganda Rayon Manufacturers Ltd.,
P.O.Box 4211,
Kampala.
18. Africa Textile Mill,
MBale.

Appendix 10

GARMENTS MANUFACTURERS

Kenya

Nairobi

1. Ahamed Bros. Ltd., P.O. Box 254
2. Alibhai and Co. Ltd., P.O.Box 201
3. Atlas Clothing P.O.Box 533
4. City Clothing Co. Ltd., P.O.Box 6625.
5. Clothing Centre P.O.Box 4780
6. Kenya Clothing Factory P.O. Box 2871
7. Knitex Limited, P.O. Box 4780
8. White Arrow Brassieres Co., P.O. Box 10972
9. Zaverchand Stores, P.O. Box 1233

Mombasa

1. African Garments and Textiles Mfg. Co. Ltd.,
P.O. Box 663.
2. E.A. Clothing Factory Ltd., P.O.Box 2500
3. E.A. Clothing Factory Ltd., P.O. Box 948
4. Kenya Shirts Mfg. Co. Ltd., P.O. Box 346
5. Narandas Zaverchand & Sons, P.O.Box 11264

6. Sixo Garments, P.O. Box 7513.
7. Uhuru Garments, P.O. Box 465
8. Kalidas Kangi (Africa) Ltd., P.O. Box 939

Machakos

Macos (EA) Ltd., P.O. Box 33.

Tanzania

Arusha

1. Sunflag (T) Ltd., P.O. Box 3123
2. "A to Z" Clothing Co., P.O. Box 945
3. E.A. Garments Factory Ltd., P.O. Box 904
4. Kachra Narshi & Sons (T) P.O. Box 981.

Dar-es-Salaam

1. E.A. Clothing Corpn. Ltd., P.O. Box 373
2. P.S. Karadia, P.O. Box 407
3. Tangamco P.O.Box 20836.
4. Acacia Tailoring House, P.O. Box 405.
5. National Garments P.O. Box 2363
6. Kalidas Samji & Co., P.O. Box 382.
7. Garment Manufacturing Ltd., P.O. Box 2358.

8. Kanvir Indus Ltd., P.O. Box 20051
9. Nation Garments Mfg., P.O. Box 2763
10. Ekasa Garments Mfg. Co. Ltd., P.O. Box 1736.

Mtwara

1. Mtwara Textile Industries, P.O.Box 90, Mtwara.

Mwanza

1. Kajolly Garments Ltd., P.O.Box 410
2. Shah Garments (T) Ltd., P.O. Box 1210

Tabora

1. Bhagwanji Harjiwan, P.O. Box 113.

Tanga

1. Commercial & Indus Combine Ltd., P.O.Box 835.
2. Tanzania Investment Promoters Ltd., P.O.Box 5005.
3. Coastal Clothing Mfgs., P.O. Box 5006.
4. United Garments, P.O. Box 5006.

UgandaKampala

1. Salama Industries Ltd., P.O. Box 323.
2. United Garments Industries Ltd.,
P.O. Box 4378.

Appendix 11

APPLICATION FOR CERTIFICATE OF APPROVE ENTERPRISE

Foreign Investments Protection Act,
1964

To:

The Permanent Secretary,
The Treasury,
P.O. Box 30007,
Nairobi,
Kenya.

Sir,

I, the undersigned, hereby apply for a certificate to the effect that the proposed enterprise described hereunder, in which my assets are to be invested, is an approved enterprise within the meaning of the above Act.

A. Details of the Applicant

1. Full name _____ Write the
name of
of _____ foreign
investors
2. Permanent Postal Address _____ State the
address to
which
_____ corres-
pondence
can be
directed
in Kenya.
3. Nationality _____

B. Details of the Enterprise

4. Title _____ State the name
_____ of the enterprise
_____ in which the
_____ investment is to
_____ be made.
5. Location _____ The area within
_____ which the enter-
_____ prise is to be
_____ established
6. Description _____ Full details of
_____ nature and type
_____ of enterprise
7. (a) Proposed Capital _____ Distinguish between*
Construction _____ loan, debenture,
_____ preference and
_____ ordinary
- (b) Programme for Issuing _____ *Terms of loan to
Capital _____ be stated

- (c) Subscription by: _____ Give names and
_____ permanent resi-
(i) Foreign Nationals _____ dential address
_____ together with
_____ amounts and
_____ categories in 7(a)

(ii) Kenya Citizens _____

(d) Methods of subscription _____

State whether cash, machinery, and materials, semi-finished goods, provisions of patented processes, technical services, etc., by subscribers in 7(c) (i) and (ii),

8. Proportion of applicant's foreign investment to total investment _____

9. The foreign currency in which the investment is to be made _____

10. Objects of the enterprise _____

Describe fully in the initial stages and subsequently.

11. Anticipated benefits to the economy _____

e.g., increase of exports of saving of imports, new technical progress, employment of local labour, etc.

12. Estimated annual turnover
and profits during first, second and
third years of operation _____

13. Period within which the foreign assets
are to be fully invested _____

14. Name and Address of Kenya Bankers _____

C. General

15. Any other relevant information which might
assist in consideration of the application _____

DECLARATION

I, _____ hereby
declare that the details stated above are, to the best
of my knowledge and belief, correct.

Date _____ Signature of Applicant _____

Important Note:-

Any certificate issued under section 3 of the Act, as a result of this application, is liable to be revoked unless -

- (a) satisfactory documentary evidence is produced within the period stipulated, regarding receipt of the foreign assets;
- (b) Particulars of the Kenya registration of the enterprise are lodged with the Treasury as soon as registration is effected.

FOR OFFICIAL USE ONLY

Application received _____ Reference No. _____

_____ Initials _____ Registration parti-
culars received _____

Banker's Certificate _____ Auditors Certificate _____

_____ Approved/Not approved. Initials _____

Approved Certificate No. _____ Issued on _____

Appendix 12INDUSTRIES OPEN TO PRIVATE ENTERPRISE IN TANZANIA

1. Meat products
2. Dairy products
3. Bakery products
4. Confectionery and related products
5. Miscellaneous food preparations and kind products
6. Textile mill products:
 - (a) Knitting mills
 - (b) Carpet, rugs and other floor coverings, wore and fibre carpet, rugs, carpet yarn
 - (c) Linoleum, asphalted, felt-base and other hard-surface floor coverings
 - (d) Hats (except cloth and millinery)
 - (e) Jute goods
 - (f) Other miscellaneous textile goods
7. Apparel and clothing
 - (a) Men's outer and underwears
 - (b) Women's outer-wear
 - (c) Women's and childrens' underwear garments
 - (d) Other miscellaneous yarns made of fabrics and leather
8. Lumber and wood products (except furniture)
9. Furniture and fixtures, household as well as office furniture (metal as well as wood)
10. Paper and allied products
11. Printing, publishing and allied industries
12. Chemicals and allied products:
 - (a) Soaps and other cleaning preparations
 - (b) Paints and varnishes
 - (c) Salt
 - (d) Other miscellaneous chemical products and preparations

13. Products of petroleum and coal
14. Rubber footwear, rubberised fabrics and other industrial and mechanical rubber goods
15. Leather and leather products
16. Glass and glassware
17. Structural clay products
18. Pottery and related products
19. Concrete, gypsum and plastic products
20. Abrasives, asbestos and other non-metallic mineral products
21. Tin and other tinware
22. Heating apparatus, non-electric
23. Cutlery, hand tools and general hardware
24. Fabricated structural metal products
25. Metal stamping, coating and engraving
26. Lighting fixtures
27. Fabricated wire products
28. Miscellaneous fabricated metal products
29. Miscellaneous machinery parts
30. Electrical appliances, domestic
31. Insulated wire and case
32. Electric lamps
33. Domestic wireless receiver sets and others
34. Miscellaneous electrical products
35. Photographic equipment and supplies
36. Watches and clocks, and its parts
37. Jewellery, solvaware and plated ware
38. Musical instruments and parts
39. Toys, sporting and electric goods
40. Pens, pencils and other office and artists materials
41. Costumes, jewellery, costume mondties, buttons, etc.
42. Fabricated products
43. Miscellaneous manufacturing industries, likes matters, cork products, lamp shades, umbrellas, etc.

Note: This is a broad classification under each sub-head. There is a further listing which has not been reproduced here.

Appendix 13LIST OF IMPORTERSA. Textile GoodsCloth:Kenya

- Nairobi: (1) African Mercantile Co.(Overseas) L. L.,
P.O. Box 30010.
- (2) Chandira Ratilal Kalidas,
P.O. Box 1901.
- (3) Devshi Shamat and Bros.,
P.O. Box 10712.
- (4) Dharmashi Virpar and Co.,
P.O.Box 1694.
- (5) Fulchand Liladhar & Co.,
P.O.Box 6723.
- (6) Jayant Cash Stores,
P.O.Box 5435.
- (7) Lakshmi and Co. Ltd.,
P.O.Box 2090.
- (8) Manilal Kapurchand Shah,
P.O.Box 2744.
- (9) Martin G.S. & Co. Ltd.,
P.O. Box 30189.
- (10) Prakash Stores Ltd.,
P.O.Box 1680.

- (11) Punja Parbat Gudka,
P.O.Box 10032.
- (12) Ross & Co. (EA) Ltd.,
P.O.Box 150.
- (13) Shah Padamshi Keshavji,
P.O.Box 1063.
- (14) Sajpar Nathoo,
P.O.Box 2557.
- (15) Twentsche Overseas Trading Co. (EA)Ltd.,
P.O.Box 30038.
- (16) Virji Valabhai & Sons,
P.O.Box 10251.

Mombasa:

- (1) Juma Essak, H.A. & Sons,
P.O.Box 159.
- (2) Meghji Gosar & Co. Ltd.,
P.O.Box 8051.
- (3) Shah Chuni Lal Lakhamshi,
P.O.Box 1805.
- (4) Smith Mackenzie & Co. Ltd.,
P.O. Box 120.
- (5) Sojapar Nathoo,
P.O.Box 1709.
- (6) Vashrabhai & Sons,
P.O.Box 3136.

Uganda

Kampala:

- (1) Balibhai Jivraj & Co. Ltd.,
P.O.Box 705.
- (2) Girdhar Lal & Co.,
P.O. Box 2128.
- (3) Hind Africa Corporation Ltd.,
P.O.Box 1594.

- (4) Jamandas Nanchand Seth,
P.O. Box 1049.
- (5) Juma Kurji & Sons,
P.O.Box 1368.
- (6) Kabale Busega Stores Ltd.,
P.O.Box 30010.
- (7) Muwanga & Bros,
P.O.Box 212.
- (8) Narji Textiles Ltd.,
P.O.Box 521.
- (9) Pankaj Textiles,
P.O.Box 2001.

- Others:
- (1) Jansari & Co.,
P.O.Box 47, Mbarara.
 - (2) Shah Velji & Co.,
P.O.Box 156,
Mbale.

Tanzania

- (1) Ahmed Janmohamed,
P.O.Box 60,
Shiryanga.
- (2) Gulamali Jina Ltd.,
P.O.Box 235,
Tanga.
- (2) Harji Amarshi & Co.,
P.O.Box 65,
Mwanza.
- (4) Ishani H.K.,
P.O.Box 162,
Arusha.
- (5) Virchand & Co.,
P.O.Box 118,
Moshi.

Jute TextilesKenya

- (1) Dalgety (East Africa) Ltd.,
P.O.Box 30345,
Nairobi.
- (2) E.A. Bagand Cordage Co. Ltd.,
P.O. Ruiru.
- (3) Low and Bonar (E.A.) Ltd.,
P.O.Box 2755,
Nairobi.
- (4) Shah Vershi Devshi & Co. Ltd.,
P.O.Box 36,
Thika.

Uganda

Kampala:

- (1) African Mercantile Co. (Overseas) Ltd.,
P.O.Box 27, Kampala.
- (2) Ashok Cotton Co. Ltd.,
P.O.Box 543, Kampala.
- (3) Jamal Walji Ltd.,
P.O.Box 57, Kampala.
- (4) Kampala General Agency (1942) Ltd.,
P.O.Box 118, Kampala.
- (5) Ladha Kassam,
P.O. Box 73.
- (6) Liverpool Uganda Co. Ltd., 9/11,
Opote Ave.,
P.O.Box 435, Kampala.
- (7) Merali Devji & Sons (U) Ltd.,
7, Hoima Road,
P.O.Box 459, Kampala.

- (8) Narandas Rajaram & Co. (Africa) Ltd.,
9, Portal Ave., P.O.Box 45, Kampala.
- (9) Old East African Trading Co. Ltd.,
P.O. Box 235, Kampala.
- (10) Raghunath Gokaldas & Co. Ltd.,
P.O.Box 388.
- (11) Sango Bay Estates Ltd., 47, Jinja Road,
P.O. Box 2659, Kampala.
- (12) Virchand Mithalal Ltd.,
16/18, Allidina,
Visram St., P.O.Box 634.

Jinja: Ramanbhai & Bros. Ltd.,
P.O. Box 205,
41, Lubas Road, Jinja.

Tanzania

- (1) S.T.C. Tanzania, Head Office, Ind. Avenue,
P.O. Box 883, Dar-es-Salaam.
- (2) Allibhai Panju & Sons, Mali St.,
Morogoro Rd.,
P.O. Box 478,
Dar-es-Salaam.
- (3) Dwarkadas Morarji & Sons Ltd.,
Morogoro Rd.,
P.O.Box 671,
Dar-es-Salaam.
- (4) Hassam Karim & Co. Ltd., Aggrey St.,
P.O. Box 103,
Dar-es-Salaam.
- (5) Jamnadas Gordhandas & Co.
P.O.Box 116, T.A.
"Destiny" Dar-es-Salaam.
- (6) The Olympic Co. Ltd., 9, Ind. Ave.,
P.O. Box 2824,
Dar-es-Salaam.

- (7) Ralli Bros. (T) Ltd., Noor Manzil Bldg.,
Azikwe St., Box 9092,
Dar-es-Salaam.
- (8) Tanganyika Cotton Co. Ltd.,
Tancot House, City Drive, P.O. Box 655,
Dar-es-Salaam.
- (9) A. Ahamed Jaffer, Morogoro Road,
P.O. Box 561,
Dar-es-Salaam.
- (10) G.R., Jivraj Ltd., Aggrey St.,
P.O. Box 292,
Somani.

B. Iron and Steel

Kenya

- (1) Karachiwala Ltd., East Street,
P.O. Box 148,
Mombasa.
- (2) Ramanbhai & Co. Ltd.,
P.O.Box 1328,
Nairobi.
- (3) Doshi & Co. (Hardware) Ltd.,
P.O. Box 434, Mombasa.
- (4) Mombasa Hardware Ltd.,
P.O. Box 479,
Mombasa.
- (5) Nairobi Steelwares Ltd.,
P.O. Box 1733,
Nairobi.
- (6) J.J. Patel & Sons,
Industrial Area, P.O.Box 2197,
Nairobi.

- (7) Mamubhai & Co. Ltd.,
P.O. Box 3887,
Nairobi.

Tanzania

- (1) State Trading Corporation,
P.O. Box 883,
Dar-es-Salaam.
- (2) Jiwaji Hardware Stores Ltd.,
P.O. Box 156,
Dar-es-Salaam.
- (3) Tanganyika Traders Ltd.,
P.O. Box 285,
Dar-es-Salaam.
- (4) Tanganyika Hardware Stores,
P.O. Box 2015,
Dar-es-Salaam.
P.O. Box 368, Tanzania.
- (5) Timber and Hardware Ltd.,
P.O. Box 631,
Dar-es-Salaam.
- (6) Gulamhusein Brothers,
P.O. Box 547,
Dar-es-Salaam.

Uganda

Kampala:

- (1) Doshi Hardware (Uganda) Ltd.,
P.O. Box 1420.
- (2) United Builders and Contractors
Limited,
P.O. Box 1592.
- (3) Hardware Traders Ltd., P.O.Box 317,
Alladivisraa Street, Kampala.
- (4) Economic Hardware & Sanitaryware,
P.O.Box 3018, Kampala.
- (5) Iron and Steelware Ltd.,
P.O. Box 68.

Jinja

- (1) Uganda Hardware Ltd.,
P.O.Box 109, Jinja.

Note:- This is only a selective list.

C. Electrical Appliances, Fitting, Accessories,
etc.

Kenya

- (1) M/s Achelis (Kenya) Ltd.,
P.O. Box 6767,
Nairobi.
- (2) M/s Baumann A and Co. (E.A.) Ltd.,
P.O.Box 538,
Nairobi.

P.O.Box 335,
Kampala.
- (3) M/s Bir Singh Ahluwalia,
P.O.Box 1550,
Nairobi.
- (4) M/s Chapman L.J.(E.A.) Ltd.,
P.O. Box 5029,
Nairobi.
- (5) M/s Electrical and Radio Service,
Ismail Janmohamed,
Nairobi.
- (6) M/s Electrical Trading Co. Ltd.,
P.O. Box 3536,
Nairobi.
- (7) M/s English Electric Co. Ltd.,
P.O. Box 5659,
Nairobi.

- (8) M/s Gailey & Roberts Ltd.,
P.O.Box 30067,
Nairobi.
- (9) M/s Holger (East Africa) Ltd.,
P.O.Box 9908,
Mombasa.
- (10) M/s Smith Mackenzie & Co. Ltd.,
P.O. Box 120,
Mombasa.

P.O. Box 637
Kampala.
- (11) M/s Vinda House,
P.O.Box. 12134,
Nairobi.
- (12) M/s Zurobi Limited,
P.O.Box 1428,
Nairobi.
- (13) M/s Old East African Trading Co. Ltd.,
P.O. Box 2010,
Mombasa.
- (14) M/s Nurani Electrical Stroes,
P.O.Box 1034,
Mombasa.
- (15) M/s Noor Electric Co.,
P.O.Box 11444,
Nairobi.

Uganda

- (1) M/s Dharamshi Hamraj,
P.O. Box 107,
Jinga.
- (2) M/s Elektra (Uganda) Ltd.,
P.O.Box 2679,
Kampala.

- (3) M/s Jodiawalla & Co.,
P.O.Box 580,
Kampala.
- (4) M/s Jos Hansen & Soechne (Uganda) Ltd.,
P.O.Box 2333,
Kampala.

P.O.Box 1691,
Dar-es-Salaam.
- (5) M/s United Electrical Corporation Ltd.,
P.O.Box 1256,
Kampala.
- (6) M/s Uganda Electrical & Radio Co. Ltd.,
P.O.Box 1655,
Kampala.
- (7) M/s Electronics Ltd.,
P.O. Box 1869,
Kampala.
- (8) M/s Hagemeyer Trading Co. (E.A.) Ltd.,
P.O.Box 2386,
Kampala.

P.O.Box 2077,
Dar-es-Salaam.
- (9) M/s Home Electronics,
P.O.Box 4345,
Kampala.
- (10) M/s Uganda Company Group,
P.O.Box 1,
Kampala.
- (11) M/s Mukesh Mercantile Co.,
P.O. Box 3578,
Kampala.
- (12) M/s Kassam & Sons Ltd.,
P.O.Box 627,
Jinja.

- (13) M/s New Electric Stores,
P.O. Box 531,
Mbala.
- (14) M/s Nile Radio Corporation,
P.O.Box 980,
Kampala.
- (15) M/s Salisbury Radio & Refrigeration,
P.O.Box 883,
Kampala.

Tanzania

- (1) M/s State Trading Corporation,
P.O.Box 9110,
Dar-es-Salaam.
- (2) M/s African Mercantile Co(Overseas) Ltd.,
P.O.Box 9012,
Dar-es-Salaam.
- (3) M/s Afro-Ads. Neon Tito Ltd.,
P.O.Box 717,
Dar-es-Salaam.
- (4) M/s Car & General Equipment Co. Ltd.,
P.O.Box 1552, Dar-es-Salaam.
- (5) M/s Dwarakadas Morarji & Sons Ltd.,
P.O.Box 671,
Dar-es-Salaam.
- (6) M/s Jiwanji Hardware Stores Ltd.,
P.O.Box 156,
Dar-es-Salaam.
- (7) M/s Kettles Roy & Tyrone Ltd.,
P.O.Box 171, Dar-es-Salaam.
- (8) M/s Patel Stores Ltd.,
P.O.Box 746,
Dar-es-Salaam.

(9) M/s Souza Junior Dias(Radio) Ltd.,
P.O.Box 50,
Dar-es-Salaam.

(10) M/s Tanganyika Traders Ltd.,
P.O. Box 285,
Dar-es-Salaam.

D. Machinery

Kenya

Nairobi

P.O.Box No.

1.	Achelis (Kenya) Ltd.	Kampala	2663
		Nairobi	303
		Dar-es-Salaam	2721
2.	Atlas Machinery Suppliers(A)Ltd.		10001
3.	Cohen George(EA) Ltd.,		9535
4.	Cooper Ton Ltd.		4707
5.	Dadgety (EA) Ltd.	Nairobi	30345
		Kampala	1011
6.	Gailey & Roberts Ltd.	Nairobi	30067
		Kampala	1021
7.	Gilfillam & Co. Ltd.		30044
8.	G. North & Son Ltd.		30085
9.	Holma Bros (EA) Ltd.	Nairobi	2004
		Kampala	2790
10.	Old East African Trading Co. Ltd.	Nairobi	30013
		Dar-es-Salaam	173

		<u>P.O.Box No.</u>
11.	Thorsen & Co. (EA) Ltd.	6777
12.	Tractor & Machinery Ltd.	18000
13.	Twentsche Overseas Trading Co. (EA) Ltd.	Nairobi 30038 Kampala 162
14.	Womer P.G. & Co. Ltd.	2721
15.	Zurobi Ltd.	Nairobi 1428 Kampala 3921 Dar-es-Salaam 960
16.	George Cohen (EA) Ltd.	9535
17.	Henckell Du Boisom (EA) Ltd.	30072
18.	Grendan (EA) Ltd.	3363
19.	Dowson & Dopson Engineers Ltd.	30149
20.	Gill A. & Co. Ltd.	30193
21.	Smith Mackenzie & Co. Ltd.	Mombasa 120 Kampala 637
22.	African Mercantile (Overseas) Ltd.	30010
23.	Dickson & Wheeler	4163
24.	S.A. Pegrume & Co. Ltd.	1093
25.	Easthigh Motors Works Ltd.	2546
26.	A. Bauman (K) Ltd.	538
27.	J.S. Davis & Co. Ltd.	Nairobi 7482 Dar-es-Salaam 9020 Nairobi 11335 Dar-es-Salaam 9020

<u>Uganda</u>		<u>P.O.Box No.</u>
28.	EC & A Ltd.	Kampala 2658
29.	Equipment Ltd.	-do- 2807
30.	Jos. Honsen Sockre (O) Ltd.	-do- 2333
31.	Farm Machinery Distributors	353
32.	Uganda Group Ltd.	1
33.	Industrial Equipment(O) Ltd.	Jinja 400
34.	Mehta Groups	Lugazi
35.	Madhvani Group	Jinja
36.	Old East African Trading Company	Kampala 235
<u>Tanzania</u>		
37.	State Trading Corporation	883
38.	Asor Ltd.	674
39.	Luke Hardware & Tools	Mwonga 981
40.	Tanzania Millers Ltd.	Dar-es-Salaam 9180

Note: There are no separate importers of machine tools , diesel engines and electric machinery. These firms also deal in them.

E Bicycles & Parts

Kenya

1. M/s Interocean Trading Co. Ltd.,
 P.O.Box 5392,
 Nairobi.
2. Kenya Cycle Mart,
 P.O.Box 787,
 Nairobi.
3. Smith Mackenzie and Co. Ltd.,
 P.O.Box 30345,
 Nairobi.
4. M/s Twentsche Overseas Trading
 Company (EA) Ltd.,
 P.O.Box 30038,
 Nairobi.
5. M/s Dalgety (East Africa) Ltd.,
 P.O.Box 30345,
 Nairobi.

Uganda

1. M/s Kampala Cycle Trading Co. Ltd.,
 P.O.Box 610,
 Kampala.
2. M/s Shah, P.T. & Co.,
 P.O. Box 2329,
 Kampala.
3. M/s United Cycle Stores Ltd.,
 P.O.Box 784,
 Kampala.
4. M/s Uganda Groups Ltd.,
 P.O.Box 1,
 Kampala.

5. M/s Virani Cycle Mart,
P.O.Box 343,
Mbala.
6. M/s Cycles & Hardware,
P.O.Box 146,
Masaka.
7. M/s Cycles & Cycle Spares Ltd.,
P.O.Box 260,
Mbala.
8. M/s Gailey & Roberts (U) Ltd.,
P.O.Box 336,
Kampala.

Tanzania

State Trading Corporation,
P.O.Box 883,
Dar-es-Salaam.

F. Automobile SparesKenya

	<u>Nairobi</u>	<u>Post Box No.</u>
1.	Auto Dealers & Hardware Ltd.	6755
2.	Automobile Suppliers Ltd.	237
3.	Automobile & General Agencies Ltd.	421
4.	L.S. Champion (EA) Ltd.,	5029
5.	E.Auto Spares Ltd.	1439
6.	Fiat Kenya Ltd.	30348
7.	Mindo Africa Ltd.	5099
8.	Motor Mart & Exchange Ltd.	30179

		<u>Post Box No.</u>
9.	Motors Limited	6767
10.	Patel Garage Ltd.	38
11.	Piston Ring & Equipment Co. Ltd.	6241
12.	ECTA (Kenya) Ltd.	6129
13.	Auto Electric Service (Batteries)	1550
14.	Excide Service (K) Ltd. (Batteries)	14242
15.	Twentsche Overseas Trading Co. (Batteries)	30038
16.	Jagat Singh & Sons (Body parts)	18111
17.	Car & General Equipment Co. Ltd., Nairobi. Kampala	20001 207
18.	Labh Singh Harnam Singh (Body parts)	5569

UgandaKampala

1.	Allabhois Garage Ltd.	1148
2.	Arvind Industries Ltd.	1679
3.	Gian Motors Ltd.	2143
4.	ECTA Ltd.	2658
5.	Fiat Uganda Ltd.	3328
6.	Motor Mart (U) Ltd.	353
7.	Latif's Garage Ltd.	1022
8.	Achelis (U) Ltd.	2663
9.	Amin Automobiles Ltd.	89

		<u>Post Box No.</u>
10.	Automobiles Ltd.	807
11.	Champion Motor Spares Ltd.	1248
12.	Hassanalli's Auto Store Ltd.	97
13.	Auto & Machinery Parts Ltd.	2166

TanzaniaDar-es-Salaam

1.	Azania Auto Spares	490
2.	Benbors Motors Ltd.	2112
3.	Central Auto Spares	5019
4.	Fiat Tanzania Ltd.	20479
5.	General Machinery Stores	222
6.	General Trading Stores	241
7.	Tanganyika Motors Ltd.	1526

Tanga

1.	Auto & Electric Stores Ltd.	521
2.	Automobile Stores Ltd.	345

Note:- The above is only a selective list. There are very large number of importers. For complete details, consult East Africa Trade & Commerce Directory published by East African Directory Ltd., Kenya.

G Hand/Small ToolsKenya (Nairobi)Post Box No.

1.	African Mercantile Co. (Overseas) Ltd.	30010
2.	Gill A & Co. Ltd..	30193
3.	Hortley Electromotives (FA) Ltd.	5366
4.	Hassanalis Auto Stores Ltd.	515
5.	Momftai & Co. Ltd.	3887
6.	Munshiram & Co.	759
7.	Gailey & Roberts Ltd.	30067
8.	Poss & Co. (FA) Ltd.	150
9.	Dalgety East Africa Ltd.	300345
10.	Henckell Du Buissan (EA) Ltd. (all the three countries)	30072
11.	Abibtai Shariff & Sons	382

Mombasa

1.	Auto Electric & General Hardware	706
2.	Bhagwanj & Co. Ltd.	2171
3.	Hardware & General Stores	2091
4.	Hardware & Iron Manufacturing Ltd.	253
5.	Mombasa Hardware Ltd.	479

TanzaniaDar-es-Salaam

1.	Achelis (Tanganyika) Ltd.	2721
2.	Auto Electric & Hardware Ltd.	1555
3.	Auto Spares & Hardware Stores Ltd.	1383
4.	J. S. Davis & Co. Ltd.	9020
5.	Gulamhussein Brothers	547
6.	Tanganyika General Stores	94
7.	Tanganyika Hardware Stores	20159
8.	Tanganyika Traders Ltd.	285

Arusha

1.	General Hardware & Tool Mart	149
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UgandaKampala

1.	Achelis (U) Ltd.	2663
2.	A. Bounan (U) Ltd.	335
3.	City Hardware Ltd.	1440
4.	Doshi Hardwares (U) Ltd.	68
5.	Kampala Hardware Store	1840
6.	Nysazan Hardware Ltd.	736
7.	United Builders & Contractors Ltd.	592
8.	Glan Motors Ltd.	2143

H. Dyes and Colours

Kenya

Nairobi

1. Ageco (Kenya) Ltd.,
Box 11228.
2. Industrial Distributors Ltd.,
Box 12030.
3. Hagemeyer Trading Co. (EA) Ltd.,
Box 30093.
4. Twiga Chemical Industries Ltd.,
Box 30172.
5. Zuoli Limited,
Box 1428.

Mombasa

6. Smith Mackenzie & Co. Ltd.,
Box 120.

Tanzania

Dar-es-Salaam

7. State Trading Corporation
8. Associated Commercial Enterprise

Uganda

Kampala

9. Zuoli Limited,
Box 960.

Note:- Besides, the above firms, all the textile mills listed elsewhere should be contacted.

I. Medicines and Pharmaceuticals

1. M/s Abico (Overseas) Ltd., P.O. Box 7934, Nairobi.
2. Ageca (Kenya) Ltd., P.O.Box 11228, Nairobi.
3. M/s Bworouhs Weellcome (E.A.) Ltd., P.O.Box 305154 Nairobi.
4. M/s Boots Pure Drug Co. Ltd., P.O.Box 10212, Nairobi.
5. M/s Chemimpo (East Africa) Ltd., P.O.Box 30467, Nairobi.
6. M/s Coast Chemists Ltd., P.O.Box 1987, Mombasa.
7. M/s Dalgety (East Africa) Ltd., P.O.Box 30345 Nairobi, P.O.Box 1011 Kampala.
8. M/s Elys Limited P.O.Box 411, Nairobi.
9. M/s Eros Chemist Ltd., P.O.Box 6676, Nairobi.
10. M/s Gill A. and Co. Ltd., P.O.Box 30193, Nairobi.
11. M/s Grayson and Co. Ltd., P.O.Box 30198, Nairobi. P.O.Box 878, Kampala.
12. M/s International Products Ltd., P.O.Box 2197, Nairobi.
13. M/s Kemiphara Ltd., P.O.Box 918, Nairobi.
14. M/s Kenya Overseas Co. Ltd., P.O.Box 2569, Nairobi.
15. M/s Martin G.S. & Co. Ltd., P.O.Box 30189, Nairobi.
16. M/s May and Baker Ltd., P.O.Box 30104, Nairobi.
17. M/s National Pharmacy Ltd., P.O.Box 11096, Nairobi.
18. M/s Colo East Africa Trading Co. Ltd., P.O.Box 30013, Nairobi. P.O.Box 235, Kampala.
19. M/s Patel D.D. & Co. Ltd., P.O.Box 1426, Nairobi.
20. M/s Pfizen Laboratories Ltd., P.O.Box 18244, Nairobi.
21. M/s Reckitt and Coman (Overseas) Ltd., P.O.Box 18251, Nairobi.
22. M/s Robson E. Ltd., P.O.Box 3007, Nairobi.
23. M/s Smith Mackenzie and Co. Ltd. P.O.Box 120 Mombasa. P.O.Box 637, Kampala.
24. M/s Twentsche Overseas Trading Co. Ltd., P.O.Box 30035, Nairobi.
25. M/s Universal Pharmacy Ltd., P.O.Box 102, Nairobi. P.O.Box 1618, Kampala.
26. M/s House and Mc George Ltd., P.O.Box 302, Nairobi. P.O.Box 44, Kampala.

Uganda

1. M/s B.E.A. Corporation Ltd.,
P.O.Box 12,
Kampala.
2. M/s Chief Pharmacist,
Medical Stores,
P.O.Box 16,
Entebbe.
3. M/s Jos Hancen & Sochne (Uganda) Ltd.,
P.O.Box 2333,
Kampala.
P.O.Box 1691, Dar-es-Salaam.
4. M/s Morrison J.L. & Jones, (E.A.) Ltd.,
P.O. Box 1113,
Kampala.
5. M/s Phillips, Hanisons & Crosfield Ltd.,
P.O. Box 1314,
Kampala.
6. M/s Uganda Pharmaceuticals(WIS) Ltd.,
P.O.Box 3710,
Kampala.
7. M/s Wardles Wholesale Ltd.,
P.O.Box 1861,
Kampala.

Tanzania

1. M/s Amiran Ltd.,
P.O.Box 2634,
Dar-es-Salaam.
2. M/s African Mercantile Co. (Overseas) Ltd.,
P.O.Box 9012,
Dar-es-Salaam.
3. Dalgety New Zealand Loan Ltd.,
P.O.Box 9081,
Dar-es-Salaam.

4. M/s Grayson & Co. Ltd.,
P.O. Box 909,
Dar-es-Salaam.
5. M/s Hagemeyer Trading Co. (EA) Ltd.,
P.O. Box 2077,
Dar-es-Salaam.

J Rubber Tyres and Tubes

Dealers in automobiles, bicycles and their accessories also deal in tyres and tubes. In addition to the list of automobile spares and bicycles the following may be contacted for automobile tyres and tubes.

1. Avon Rubber Company Ltd.,
Box 18270,
Nairobi.
2. Dalgety (E.A.) Ltd.,
Box 30345,
Nairobi.
3. Shah Vershi & Co., Ltd.,
Box 36,
Thimba.
4. State Trading Corporation,
Dar-es-Salaam.
5. Tanganyika Tyre Retreading Co.,
Box 2585,
Dar-es-Salaam.
6. Dunlop East Africa Ltd.,
Box 30102,
Nairobi.

(K) Paper

<u>Kraft Paper</u>	<u>Post Box</u>	
1. Agecon (K) Ltd.	11228	Nairobi
2. K.C. Bhakoo	2658	"
3. E.A. Paper Bag Manufacturers Limited	4276	"
4. E.A. Packaging Industries Limited	30146	"
5. Chandara Industries Ltd.	1155	Mombasa
6. Twiga Paper Products	20192	Dar-es-Salaam
7. Paper Products Ltd.	2424	"
8. Combined Paper Bags Manufacturers	2285	Kampala
9. Uganda Paper Bags Manufacturers Limited	3526	Jinja
10. Associated Paper Industries Limited	1375	"
<u>Other Paper</u>		
11. Twentsche Overseas Trading Company. C.F.A. Limited	162 12186	Kampala Nairobi
12. Erskine & Duncon Ltd.	132	"
13. Denover & Co.	1334	Mombasa
14. Introcean Trading Co.	5392	Nairobi
15. Old East Africa Trading Company	300/3 235 173	" Kampala Dar-es-Salaam
16. English Press Ltd.		

	<u>Post Box</u>	
17.D.L. Patel Press Ltd.	73	Nairobi
	363	Kampala
18.State Trading Corpora- tion	-	Dar-es-Salaam
19.Tripres Ltd.	1430	Kampala
20.Arvind Press & Stores	1033	Dar-es-Salaam
21.Kanti Printing Works	455	"

L. SpicesKenya

1. Raichand Khemji & Co.,
Box 5327,
Nairobi.
2. E.A. Food Grinding & Packing Co. Ltd.,
Box 1403,
Nairobi.
3. Jayajee Products Ltd.,
Box 12634,
Nairobi.
4. Virmani Brothers Ltd.,
Box 381,
Nairobi.
5. E.A. Dal and Flour Mills,
P.O. Box 2607,
Mombasa.

Tanzania

6. Sheriff Dewji & Sons Ltd.,
Box 175,
Arasha.
7. Dwarkadas Morarji & Sons (1965) Ltd.,
P.O.Box 671, Dar-es-Salaam.
8. Kanji Jeraj,
Box 72,
Dar-es-Salaam.
9. Karshandas Muldas & Bros.,
Box 546,
Dar-es-Salaam.

Uganda

10. Uganda Food Products Ltd.,
Box 475,
Kampala.
11. Raichand Khimji & Co. (U)
Box 975,
Kampala.

Appendix 14CHEMICAL AGENTS AND DISTRIBUTORS

<u>Kenya (Nairobi)</u>	<u>P.O.Box</u>
1. African Development Corporation Ltd.	6243
2. Ageco (Kenya) Ltd.	11228
3. Cheminpo (East Africa) Ltd.	30467
4. Gryson & Co. Ltd.	30191
5. Industrial Distributors Ltd.	4577
6. International Products Ltd.	2191
7. Old East African Trading Co.	30013
8. Jinja Chemical Industries Ltd.	30172
9. Womer P.G. & Co. Ltd.	1014
10. Zurobi Ltd.	1428
<u>Kenya (Mombasa)</u>	
Smith Mackenzie & Co. Ltd.	120
<u>Tanzania (Dar-es-Salaam)</u>	
11. State Trading Corporation	9110
12. Old East African Trading Co. Ltd.	173
13. Safra Chemical Industries	885
14. Associated Commercial Enterprise	392
<u>Uganda (Kampala)</u>	
15. Associated Distributors Co. Ltd.	2999
16. Dastur Ltd.	-

	<u>P.O.Box</u>
17. Grayson & Co. Ltd.	878
18. Kenafrica (U) Agencies	902
19. Ocean Trading Co. (U) Ltd.	2379
20. Smith Mackenzie & Co. Ltd.	637
21. United Commercial Agencies	2090
22. Zuroby Ltd.	3921

Note:- Besides the indenting agents many companies import directly, e.g., textiles, paper and rayon industries.

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2) The Marketing margin-an analysis of cashewnut marketing costs.

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1) Annual Report 1966.

East African Common Services Organisation

1) Annual Report, 1966

2) Report of the East African Metric Commission.

East African Publishing House

- 1) Development Planning in East Africa.
- 2) Who Controls Industry in Kenya - Report of a Working Group.
- 3) East Africa, Journal, 1968.

East African Institute of Social Research,

- 1) The Common Market and Development in East Africa by Philip NDEGWA.
- 2) Taxation for Development - A Case Study of Uganda by Dharam P. Ghai.
- 3) Import Substitution Potential in East Africa.
- 4) Railways & Development in Uganda.

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- 1) The World Bank Group in Africa.
- 2) The World Bank Group in Kenya.
- 3) Economic Development of Kenya; Uganda; Tanzania.

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- 2) Development Plan Study, Uganda.

Government of India

- 1) Export Service Bulletin.
- 2) The Foreign Trade of India.
- 3) Journal of Industry and Trade.
- 4) Kenya - Ministry of Commerce and Industry.
- 5) Kenya - Economic Division, State Trading Corporation of India.
- 6) Monthly Statistics of Foreign Trade of India.

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Government of Kenya

- 1) Foreign Investments Protection Act, 1964 and rules of procedure.
- 2) Kenyanisation of personnel in the private sector - A Statement on Government Policy.
- 3) Development Plan, 1966-1970.

- 4) Industrial & Commercial Development Corporation - Annual Reports 1965/66 and 1966/67.
- 5) Industrial & Commercial Development Corporation - Functions and Objectives, 1967.
- 6) Statistical Abstracts (Several Years).
- 7) The list of goods whose import is prohibited without an import licence.
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- 2) Report to the Government of the United Republic of Tanzania, on Wages, Incomes and Price Policy.

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- 5) A. Bamuann & Co. (Tanganyika) Limited, Oct. 68.
- 6) State Trading Corporation, Tanzania, Sept. 68.
- 7) Twentsche Overseas Trading Co. (EA) Ltd.
(The Central Agency), March 1968.
- 8) Modern Electric Company, Oct. 68.
- 9) Cars & Accessories Ltd.,
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